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7 June 1983

WEST EUROPE REPORT

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CONTENTS

TERRORISM

GREECE

- ND Protests Abolition of Antiterrorist Law
(I KATHIMERINI, 19 May 83) 1

ENERGY ECONOMICS

EUROPEAN AFFAIRS

- EEC Document on Effects of Oil Price Cuts on Energy
(RASSEGNA PETROLIFERA, 18 Apr 83) 2

GREECE

- Negotiations for Esso Purchase Continuing
(I KATHIMERINI, 17 May 83) 5

- Ioannina Oil Find Deemed Uneconomical
(TA NEA, 19 May 83) 6

- Briefs
Romanian Drill Purchase 7

NORWAY

- Labor Party Newspaper Cites Consensus in Oil Policy
(Editorial; ARBEIDERBLADET, 29 Apr 83) 8

ECONOMIC

CYPRUS

- Possible Payments in Kind to USSR
(KHARAVGI, 29 Apr 83) 10

Kuwait Grants Development Loan on Easy Terms (O AGON, 7 May 83)	11
FINLAND	
Government Weighing Subsidy for Plant Making USSR Railcars (HELSINGIN SANOMAT, 30 Apr 83)	12
State Debt Increased Over Eight Billion Dollars in 1982 (HELSINGIN SANOMAT, 30 Apr 83)	13
Sulo Penttila, Head of Metal Workers Union, Profiled (Juhani Aromaki; HELSINGIN SANOMAT, 10 Apr 83)	15
GREECE	
Purchase of U. S.-Made Firefighting System Seen Advantageous (Spyros Karatzaferis; ELEVTHEROTYPIA, 16 May 83)	21
Cooperation With Sweden Intensified (I KATHIMERINI, 21 May 83)	22
Details on New 500-Million Dollar Loan (I KATHIMERINI, 12 May 83)	23
Briefs April Unemployment Up	24
ITALY	
'CENSIS' Report on Presence of Guest Workers (Mario Scialoja; L'ESPRESSO, 27 Feb 83)	25
Analysis of Early Retirement Decree-Law for Public Sector (Elio Corrente; CONQUISTE DEL LAVORO, 14 Mar 83)	32
TURKEY	
Efforts to Bolster Trade With Libya (TERCUMAN, 4 May 83)	40
Foreign Banks Muster Credit for Turkey (MILLIYET, 4 May 83)	42
Credit Export Regime Initiated With Iraq (TERCUMAN, 1 May 83)	45
Worker Companies Remain in Dire Financial Straits (Nurten Bayraktar; TERCUMAN, 1 May 83)	46

Bursa Chamber Sees Need for Electricity Import (DUNYA, 16 May 83)	48
DDY Stresses Port Facility Investment (DUNYA, 16 May 83)	50

POLITICAL

BELGIUM

Walloon Regional Administration Problems Resolved (LE SOIR, 18 Apr 83)	52
---	----

FINLAND

NATO Missiles, Reagan Figure in May Day CP Leaders' Talks (HELSINGIN SANOMAT, 3 May 83)	55
Sorsa in May Address: SKDL Not Fit for Cabinet Share (HELSINGIN SANOMAT, 3 May 83)	58
Paper Discusses 'Surprises' in Shape of New Government (Editorial; HELSINGIN SANOMAT, 4 May 83)	60
Paper Views Relations Between Communists, Labor Movement (Editorial; HELSINGIN SANOMAT, 10 Apr 82)	62
Paper Interprets Greens' Political Program (Editorial; HELSINGIN SANOMAT, 10 Apr 83)	64
Development Aid Granted to Ethiopia, Sudan (HELSINGIN SANOMAT, 10 Apr 83)	66

GREECE

Papandreou Attempts Balance Between Technocrats, Hardliners (EPIKAIRA, 21 Apr 83)	67
Pro-PASOK Daily Criticizes Government Handling (Nikiforos Andonopoulos; TA NEA, 20 Apr 83)	70
Difficulties Reported Within ND on Leadership Issue (TA NEA, 20 Apr 83)	72
Politicians' Files on National Security Transferred to YPEA (I KATHIMERINI, 18 May 83)	74
Arsenis-Varfis Disagreement on EEC Memorandum (I KATHIMERINI, various dates)	76
Varfis Resignation Offer Papandreou Statement	

Turkish Airspace Violations Seen Carefully Chosen (I KATHIMERINI, 14 May 83)	81
---	----

Not Violations But Infringements
Dialogue Must Continue

SWEDEN

Conservative Party Leader Adelsohn Sees 'Conservative Wave' (Dick Ljungberg; DAGENS NYHETER, 24 Apr 83)	84
--	----

Paper Discusses Possible Reasons for Conservatives' Gain (Editorial; DAGENS NYHETER, 25 Apr 83)	86
--	----

Poll Shows Conservatives Continuing Advance (Sven Svensson; DAGENS NYHETER, 24 Apr 83)	87
---	----

Briefs North Korea To Pay Debt	91
---	----

TURKEY

Social Democrat Ismail Cem Interviewed (Osman Ulagay; CUMHURIYET, 1 May 83)	92
--	----

Toker-Ilicak Assess Emerging Political Mosaic (Various sources, 1 May 83)	97
--	----

Toker Predicts Two Major Parties, by Metin Toker
Ilicak Calls for Compromise, by Nazli Ilicak

Survey of Political Views on Provincial Level (Celal Baslangic; CUMHURIYET, 1 May 83)	100
--	-----

Mumcu, Ozyoruk Examine NSC Edict No 76 (Various sources, various dates)	102
--	-----

Edict Seen as 'Extremely Beneficial', by Ugur Mumcu
Cautions Transition Urged, by Mukbil Ozyoruk

Mumcu Urges Political Break With Past (Ugur Mumcu; CUMHURIYET, 1 May 83)	105
---	-----

Rightists Continue Unification, Leadership Efforts (CUMHURIYET, 28 Apr 83)	107
---	-----

Social Democrats Continue Grass Roots Work (CUMHURIYET, 28 Apr 83)	109
---	-----

MILITARY

GREECE

- 'Artemis' Antiaircraft System Tested
(I KATHIMERINI, 19 May 83) 111

GENERAL

NORWAY

- Two-Way Radio Link With USSR Copters on Svalbard Starts
(Erik Bjornskau; AFTENPOSTEN, 2 May 83) 112

ND PROTESTS ABOLITION OF ANTITERRORIST LAW

Athens I KATHIMERINI in Greek 19 May 83 p 2

/Excerpts/ During yesterday's parliamentary discussion on the bill to modify provisions of the penal code, Mr Kon. Mitsotakis, ND parliamentary spokesman, stressed that ND was opposed to the abolition of the anti-terrorist law.

Mr Mitsotakis said the reasons for our refusal to go along with the abolition of the anti-terrorist law is that terrorist acts are being perpetrated in Greece and "it is not a serious bit of talk to go around saying that terrorism does not exist or at least that there has not been any increase in terrorism."

Recent events, such as those involving bombings and the assassination of Athanasiadis, he added, give the impression that Greece is becoming an open house for international terrorism. Mr Mitsotakis emphasized that Greece is the only country whose government has not dared use the terms "anarchists" or "terrorists."

The discussions went on until late at night.

The services of the Ministry of Public Order, making use of various "informative reports," are trying to mislead police authorities who are looking into political crimes. This charge was made through a question put by ND Deputy A. Balkos who submitted to parliament an "informative report" the text of which reads as follows:

"An individual who has remained anonymous has provided our services with the following information by telephone; Responsibility for the Didymoteikhon bombing lies with retired officers who belong to a royalist organization that is being financed by the CIA. This action was taken within the framework of an attempt to force Averof to proclaim that he would bring back the king. The above-mentioned individual stated that he is also a retired officer. According to this unknown person, it is presumed that the bombing was the act of some retired "Triandafyllou" who worked at "PYRKAL" /ammunition manufacturing company/ and who had been discharged a month ago. Triandafyllou had proposed to him (the unnamed person who gave us the information by phone) to work together but the latter refused. The unnamed person refused to have any personal contact with an official of our service to provide more data, maintaining that he was under surveillance and that he was afraid for his life and that of his family."

5671

CSO: 3521/321

EEC DOCUMENT ON EFFECTS OF OIL PRICE CUTS ON ENERGY

Rome RASSEGNA PETROLIFERA in Italian 18 Apr 83 pp 344-345

[Text] The cut in oil prices, resulting from the OPEC agreement of last 14 March, should absolutely not cause a slowing down of the Community's efforts in the energy-saving area on the one hand and that of other sources of energy as alternatives to petroleum, on the other. In fact, the Commission, in a working paper by its staff on the effects of the oil price cuts on the Community's energy strategy, believes that the best way for the EEC to react to the new situation that has resulted would certainly not be to give up on its long term efforts geared to reduce the Community's dependence on imported petroleum. Nothing that has happened in the past two years constitutes a valid argument against diversification of energy supply sources or against the restructuring of energy demands. On the contrary, recent developments have revealed once more the insecurity and instability that the Community introduces into its economy should it depend too much on imported petroleum. The reduction of this dependence is still of fundamental importance.

After having made an analysis of the details of the 14 March 1983 OPEC agreement and its immediate repercussions in the European Community, the Commission's paper (which was recently forwarded to the high officials group of the Ten who are responsible for energy matters) makes a distinction between the six categories of Community actions which are now required:

1. To be more vigilant through a more strict oversight of the energy market trends both in the Community and outside: the next examination of energy policy programs of the member States and the progress made towards the objectives of 1980 should provide the opportunity to analyze market trends in a more detailed way. In the meantime, the Commission and the member States should keep each other informed on their analyses of the developing situation (particularly at the meeting of the Energy Council scheduled for 21 April in Luxembourg);
2. To renew the political commitment of the Community to make progress in the diversification of its energy procurement and in the restructuring of energy demands, despite the short-term fluctuations in the petroleum market. Twice renewed in 1982, this commitment should be reiterated and would thus contribute to dispelling any remaining doubts on the Community's position;

3. The member States should abstain from taking any action likely to create upheaval in the oil and energy market: the Commission has already asked the Ten to refrain from taking unilateral actions, especially of a fiscal nature, without preliminary consultations within the proper Community framework. In fact, many member States have announced an increase in fuel consumer taxes, measures which are probably based as much on budgetary reasons as on energy policy considerations. It is necessary, however, to avoid the upheaval in the market which could result from such actions;

4. To strengthen international cooperation in the energy sector, especially between the Community and the other main consumer countries whose actions will have a critical impact on the development of the oil market. More specifically, the long-term damages resulting from an oil price crash, if this were to happen, should be avoided. Cooperation should be sought with oil-producing countries with a view to better forecasting the developmental tendencies of energy supply and demand;

5. A decisive continuation of research, development and demonstration in the energy-saving sector; of alternative energy sources and more efficient energy use, both for the purpose of holding onto the Community's flexibility for maneuvering with regard to the variations in supply and demand as well as serving as an indicator of the awareness of the dangers inherent in certain aspects of energy dependence;

6. A careful examination of the advisability of adopting new ways of Community action for the purpose of preventing the market from receiving the wrong signals on the long-range trends and to reinforce the collective security in an uncertain situation.

Actually, it is now a matter of examining which of the areas has the most urgent need of such efforts and to see how the necessary action can be taken, in the most economic and efficient way, at the Community or national level. According to the experts of the Commission, this inquiry should be centered mostly on the following points:

a. the appropriate efforts to encourage the use of coal and other solid fuels, as coal substitutes: an inquiry into the advisability of supporting new investments for the use of coal, in industry for example;

b. New steps for the purpose of promoting energy-savings: the staff of the Commission is investigating the advisability of a greater financial effort to compensate for the slowing down of these investments as a result of the oil price-cuts. In addition, other new non-financial actions are being studied (encouraging the energy-producing industries themselves to induce their customers to save more energy). Independently from the new measures the Community will adopt, it is, after all, essential that the member States invest more resources--financial and otherwise--to energy-savings;

c. The effects of crude oil price cuts on the research and development of hydrocarbons in the Community and outside of it: the uncertainty related to the development of the price of crude has already had as a consequence a certain drop in these Research and Development activities regarding the hydrocarbon

deposits in the North Sea. Therefore, there is the problem of an investigation into the outlook for the development of these activities and their stimulus. The government of the United Kingdom has announced some adjustments in its fiscal policy in this direction. There would be, moreover, the need to study how the EEC could encourage the development of hydrocarbons exploration in the non-OPEC developing countries;

d. An eventual increase of the Community's role in the security of the supply of natural gas: the weakness in the demand for natural gas and the risk of an excess of supply could, in fact, lead to a certain nonchalance with regard to the measures necessary for reinforcing the security of supply.

The actions could involve storage installations and the strengthening of interconnections between the networks of the member States, including a future connection between the United Kingdom and the continent. In addition, the financing of a collection system for the North Sea gas could be considered which would contribute to the diversification of long-term supply sources;

e. The prospects in the electrical sector: an oil price-cut could improve the financial situation of some electric energy producers who have significant plant capacities using oil and would facilitate the financing of investments in power plants which would use other fuels.

This situation, however, could make more attractive the construction of new power plants utilizing fuel oil even though the long-term advantage of other solutions, especially nuclear, is still evident. The Community already contributes, on a large scale, to the financing of power plants and should continue doing so. The thinking should now be directed towards additional steps which would encourage the utilization of electrical power wherever its use presents an economic and efficiency advantage and takes the place of oil.

Evidently, the broadening of Community action in some sectors mentioned above would require the allotment of larger funds, coming from the general budget of the Community, which would go to increase those already offered by the credit agencies of the Community. The Commission experts emphasize that an increase in the modest level of financing devoted to the energy programs of the EEC in the past few years is far more justified today and in the present situation.

This should be taken into consideration at the time of the preparation of the 1984 preliminary budget.

9731

CSO: 3528/135

NEGOTIATIONS FOR ESSO PURCHASE CONTINUING

Athens I KATHIMERINI in Greek 17 May 83 p 11

[Text] Minister of Energy and Natural Resources E. Kouloumbis announced yesterday, 16 May, that negotiations for purchase of the complex are continuing. At the same time, he expressed his surprise at the company's position regarding the government's indifference about pushing the negotiations forward.

The minister of energy and natural resources stresses in his announcement that the government is examining the whole issue of the purchase under the present circumstances, and developments in the market, with economic and social criteria; he adds that the company must understand that the negotiations cannot advance under pressures. Relative to this, it is maintained that the company has known since 1980 what it will refine in 1983 and would have to have covered the problem of normal operation both of the refinery and the complex's other units up until the end of its commitment. Consequently, the minister's announcement adds, creation of a technical crisis--meaning the notice that the installations' operation will be cut off for 20 days--hinders the issue of the purchase being settled.

As concerns the position of the workers at the complex, Mr. Kouloumbis reports that "they may be sure that the government is promoting negotiations with the principal criterion being securing their interests."

9247

CSO: 3521/314

IOANNINA OIL FIND DEEMED UNECONOMICAL

Athens TA NEA in Greek 19 May 83 p 14

[Text] An extensive heavy oil find has been located in the course of land drilling which is taking place in Ioannina.

According to exclusive TA NEA information the find is uneconomical for the time being, as its exploitation would require tremendous expenses since drilling to depths of more than 5,000 to 6,000 meters would be necessary at a cost of millions of dollars.

The DEP [State Petroleum Company] does not exclude the possibility of exploiting the find in the future if indispensable useful data emerge from similar drilling by the Italian State Petroleum Company AGIP in Paxos where heavy oil has been located also. The Italians will carry out drilling research to a depth of 6,000 meters.

The technology used there might be applied to the Ioannina finds also.

For three months continuous negotiations between the Greek State and the Northern Aegean Petroleum Company have been going on about the revision of the current contract for prospecting in the Gulf of Kavala.

The negotiations are described as tough and painful because the Greek State is faced with a difficult situation, perpetuated by previous governments and the Junta. According to available information, the State will not grant any further rights beyond those of the "Prinos."

Meanwhile, in the course of the DEP-NAPC [Northern Aegean Petroleum Company] discussions, the latter presented over inflated expenses for the "Prinos", specifically \$600,000,000, an extravagant sum which is 50 percent higher than the amount agreed upon.

Norwegian experts invited by the DEP reached the conclusion that all "Prinos" expenses and installations should not exceed \$400,000,000 and that the remaining \$200,000,000 constitute an excess for which the Greek State is made largely liable.

12278

CSO: 3521/329

BRIEFS

ROMANIAN DRILL PURCHASE-- Our country will buy from Romania a drill for oil prospecting on land. The negotiations have already been concluded and the drill will be delivered to the DEP (State Petroleum Company) next year. Its estimated value is \$200,000,000 and it will be paid for with Greek agricultural products. (Text) (Athens TA NEA in Greek 19 May 83 p 14) 12,278

CSO: 3521/329

LABOR PARTY NEWSPAPER CITES CONSENSUS IN OIL POLICY

Oslo ARBEIDERBLADET in Norwegian 29 Apr 83 p 4

[Editorial]

[Text] When the Storting agreed yesterday on the principles on how the Troll field is to be developed and who will do the job, the legislators made one of the most important decisions in our short oil history. The Troll development represents greater challenges than anything else we have attempted on the Norwegian continental shelf from an economic, technological, and strategic point of view. Yesterday's decision will have significance long into the next century.

In this large perspective, it was important for the Storting, across party-political lines, to agree upon broad national solutions. It would have done much harm if any party or party grouping had gone against the main solution. The Vice Chairman of the Industry Committee and the spokesman for the matter, Finn Kristensen (Labor), must be praised for the enormous work he has done to prevent a split in the Storting. He also received praise from many political opponents in yesterday's debate.

Guttorm Hansen pointed during the debate to a very essential situation, namely that the Storting in the handling of the Troll matter has demonstrated that the legislators have not been shoved out of the picture in oil policy. It is not the experts and the technocrats who have taken over the leadership. The guidelines by which our oil policy will be directed are still established by the national assembly. It is important to note this when more and more people try to spread the idea that the representatives have excluded themselves from the leadership because they lack both knowledge and the means to assess the suggestions of the bureaucracy.

It is first and foremost Statoil and Norsk Hydro that will be the future developers of the Troll field. These companies will have the primary responsibility. The model the Storting has now drawn up, which gives the two firms divided responsibility for operational tasks, is new in Norwegian oil policy. It forces two companies, which up to now have been caught up in hard competition, to cooperate. And it gives the same companies greater authority than usual to lead the development. The Storting has done this confident that the two firms

are well aware of their responsibility. We are in no way afraid that Statoil will not show itself worthy of the trust. We also think that Norsk Hydro will find its place in the cooperative model and function according to the conditions. We do not think that the half-nationalized Hydro has played its cards in the smartest way in the Troll competition that preceded yesterday's decision, but this is now history. Now the two firms must cooperate to fulfill the Storting's intentions.

It has been said that the consensus the Storting reached yesterday may be the first signal that we are moving into smoother waters as far as competition on the Norwegian continental shelf is concerned. It is possible that this will be the case.

Consensus is important in matters of great national importance. But not at any price. The Willoch government has shown many signs that it wants to reduce Statoil's influence in oil policy. We cannot accept such a line. If the government, for example, should support the main principles drawn up by the so-called Mellbye committee, and which in reality represents a significant part of Statoil, there will be no more consensus at the next crossroads.

The nonsocialist parties will say that consensus also requires the Labor Party to ease up on some of its main points of view. This is of course clear, but from the beginning it has also been clear that the opposition never can agree to a policy that transfers large values away from the nationalized oil company over to private hands.

9124

CSO: 3639/111

POSSIBLE PAYMENTS IN KIND TO USSR

Nicosia KHARAVGI in Greek 29 Apr 83 p 1

[Excerpt] An agreement for economic and industrial cooperation between Cyprus and the Soviet Union was initialed yesterday, 28 April, at the Ministry of Commerce and Industry. The agreement, which is for ten-years duration, was signed by the director general of the Ministry of Commerce and Industry, M. Erotokritos, and the director of the USSR Ministry of Foreign Trade's department of commerce with western countries, V. Simakov.

An important provision of the new agreement, reports an official communique, is that, should the Soviet Union undertake the execution of works in Cyprus following mutual agreement, the greater part of the cost of such work will be paid off through purchase of Cypriot products, particularly vine products.

Speaking during the ceremony, Mr. Erotokritos expressed his delight over the agreement being signed with the Soviet Union, a country with which, he said, Cyprus maintains outstanding relations. This new agreement, he stressed, opens the road for further expanding the commercial and industrial relations between our countries.

9247

CSO: 3521/313

KUWAIT GRANTS DEVELOPMENT LOAN ON EASY TERMS

Nicosia O AGON in Greek 7 May 83 p 12

/Text/ Minister of Finance Simos Vasileiou returned from Kuwait yesterday where he had gone for the signing of a loan agreement amounting to 2.4 million Kuwaiti dinars (approximately 4,224,000 pounds) between the Cypriot Republic and the Kuwaiti Fund for Arab Economic Development.

Purpose of the loan is the partial financing of the third plan for highway development. Specifically, the loan will be used for the covering --in foreign currency-- of expenditures related to the following aspects of the highway development plan:

- a) Construction of a Limassol-Ypsona-Erimis by-pass thoroughfare.
- b) Purchase of equipment to be used for the road maintenance program.
- c) Improvement of farm roads that are included in the plan.

As is known, another loan for the same purpose has been acquired from the World Bank.

The terms of the new loan are very favorable. Interest amounts to 4.5 percent, while the annual expense for administrative expenses amounts to 0.50 percent. Payment will be over a period of 15 years including a 3-year grace period.

Signing for the Kuwaiti fund was Kuwaiti Minister of Finance Abdul Latif al-Hamad in his capacity as chairman of the fund's administrative board.

During his stay in Kuwait, Mr Vasileiou had talks with officials of the fund as well as with other officials of similar organizations in connection with the possibility of getting financing for other development projects in Cyprus. He stressed the importance that the Cypriot Government is giving to the achievement of work in the south.

5671

CSO: 3521/320

GOVERNMENT WEIGHING SUBSIDY FOR PLANT MAKING USSR RAILCARS

Helsinki HELSINGIN SANOMAT in Finnish 30 Apr 83 p 29

[Text] The government has proposed a 60-percent subsidy to cover interest costs on investments in the Rautaruukki special railcar plant. Altogether, the subsidy would come to about 80 million markkas and the loan would be paid off at an interest rate of no more than 10 percent. The billion to subsidize interest payments will be submitted to Parliament next week.

After that Rautaruukki's advisory board will probably reach its final decision on the construction of a railcar plant as early as this spring. "Construction would begin this summer and the plant would be completed at Vuolijoki in 1985. According to plan, we will go into production by 1986," they say at Rautaruukki.

The object is to compensate for jobs lost in connection with the closing down of the Otanmaki and Mustavaara mines. About 650 permanent jobs will be created at Vuolijoki and the machine shop project will produce about 200 jobs.

Fixed asset investments for the project will come to a total of about 460 million markkas. What is involved is a joint project between Rautaruukki and the Soviet Energomasheexport, the production from which will go entirely into exports to the Soviet Union.

Earlier, the question had been considered in government circles as to whether there was in principle any reason to subsidize the project, since an export surplus otherwise prevails in Finnish-Soviet trade. Rautaruukki was, however, reminded on Friday that special railcar products will not be exported until the second half of this decade and that the project will not have any effect on the current trade imbalance.

The members of the government's ministerial economic policy committee were unanimous on granting Rautaruukki a subsidy to cover interest costs on Friday.

The annual production of the Rautaruukki railcar plant will come to from 3,000 to 4,000 cars. The cars are intended to be used for transporting lumber, mineral fertilizer and wine and flour, among other items.

11,466
CSG: 3617/116

STATE DEBT INCREASED OVER EIGHT BILLION DOLLARS IN 1982

Helsinki HELSINGIN SANOMAT in Finnish 30 Apr 83 p 29

[Text] From the government's balance sheet and National Treasury calculations published on Thursday, it is apparent that last year the national debt grew by 8.1 billion markkas and at the end of the year amounted to a total of 30.2 billion markkas. The nation's foreign debt came to 18.8 billion markkas.

The government borrowed 8.2 billion markkas in long-term loans last year. Changes in currency exchange rates and last fall's devaluations increased the foreign debt by 2.4 billion markkas.

The National Economy Department of the Finance Ministry asserts that the entire debt accounted for 12.9 percent of the GNP, or 2.5 percent more than a year before. The corresponding figure was 3 percent in 1974 and 14.4 percent in 1967.

The national economy shows a Treasury surplus of 300 million markkas from last year since 8.2 billion markkas in new loans were contracted and gross funding needs for the same period amounted to 7.9 billion markkas. The year before gross funding needs came to 4.3 billion markkas, borrowing to 5.2 billion markkas and the Treasury surplus to 1 billion markkas.

Over 60 Billion in Treasury Receipts

Not counting loans, National Treasury receipts last year came to a total of 60.3 billion markkas, or 12 percent more than in 1981. As for National Treasury expenditures, they came to a total of 68.3 billion markkas, or 18 percent more than the preceding year.

Last year tax revenue derived from goods and services increased nearly twice as fast as tax revenue obtained on the basis of income. A year before that the situation was just the opposite.

Revenue from income and financial assets dropped to 32 percent of national tax revenue, that is, by 1 percentage point. At its highpoint in 1976, taxes on income and assets accounted for 41 percent of tax revenue.

"Since the adjustment for a 12-percent inflation rate was greater than the rise in average earnings, income tax was relieved. A temporary 1-penni reduction in withholding tax also had the effect of decreasing the amount of taxes collected. Tax revenue from income and assets increased by 7 percent," they state in the balance sheet.

Ten percent more turnover tax was collected than during the preceding year. Despite a slight rise in the value of imports, the total amount from customs and import duties and the equalization tax increased by 15 percent.

Rises in the prices of tobacco and alcoholic beverages, among other items, increased excise tax revenue. The excise tax on food products accounted for over a fourth of the 17-percent overall increase in excise taxes. Revenue from taxes on automobiles and motorcycles increased by 21 percent.

Employer child subsidy contributions were not collected in 1982, but there was still a slight accumulation of revenue from them from the year before. A total of 52.2 billion markkas, or over 17 percent more than the year before, in revenue from taxes and of a tax-like nature was collected.

The nominal growth of National Treasury expenditures amounted to nearly 18 percent and their real growth to 7.5 percent. A year earlier the real growth of expenditures was only a bit more than 1 percent.

Government carry-over expenditures, which now account for over half of all government expenditures, rose 6 percent due to fixed prices. Government subsidies to communes also rose by a real rate of 6 percent and government subsidies to industries and households by 5 percent.

The real growth in consumer expenditures came to 6 percent. A 25-percent rise in armed forces equipment procurement expenditures somewhat added to this increase.

Due to fixed prices, the government's real investments remained nearly the same as they were before. Financial investments, however, increased following a reduction that had lasted for several years in succession.

National debt servicing expenditures increased by nearly a half. Their growth corresponded to over 2 percent of the real increase in overall expenditures. Last year 2.751 billion markkas, or a billion more than in 1981, were disbursed for national debt amortization payments.

Examined by category, after debt servicing expenditures, expenditures for social security, farming and the forest economy, national defense and health care rose at the fastest rates.

11,466
CSC: 3617/116

SULO PENTTILA, HEAD OF METAL WORKERS UNION, PROFILED

Helsinki HELSINGIN SANOMAT in Finnish 10 Apr 83 p 29

[Article by Juhani Aromaki: "Sulo Penttila's Last Battle"]

[Text] Sulo Penttila, 59, Chairman of the Metal Workers Union, heard Wednesday evening, April 6, that the members had reluctantly approved his labor contract. The information was important to Penttila, because the contract proposal had been the last battle in his long term as chairman.

This Social Democrat, who will turn 60 just before midsummer, and who has been called the chief ideologist of the trade union movement, even the "Suslov" of the SAK [Central Organization of Finnish Trade Unions], will leave his position to a successor to be chosen in the fall. The departing chairman does not wish to reveal the name of the one he prefers, because the rough rank-and-file would [then] have time to shoot him to pieces by fall.

Sulo Penttila's career began as a roller man in a paper factory in Mantta and as chairman of a local. He went through the first year-long course at the trade union institute in Kiljava, became an agent and secretary of the Paper Union, and then in 1966 first secretary of the SAK. He became chairman of the Metal Union in 1967 and a member of the executive committee of the SDP [Social Democratic Party] in 1972.

The split in the Communist Party is dividing the trade-union field as well these days, but Sulo Penttila says he has seen many much more difficult times. The whole first part of the 1950's was tough, and the events after the general strike are still to be seen in the chairman's thoughts today:

"One of the gloomiest times was 1956-1958, when after the (1956) general strike there was a general wage increase of 12 markkas and 8 markkas for the youth. That led quickly to a high rate of inflation, and the increases were lost within a couple of months."

The year 1958 was also gloomy for the workers. Real wages decreased by as much as 8 percent. Then the principle of indexing was given up and devaluation came on top of all that," Sulo Penttila remembers.

After these setbacks, trade-union man Sulo Penttila has not spoken out for large increases that would appear only on paper. He has often put through with little fanfare "achievements that would be protected from inflation."

During Sulo Penttila's long trade-union career, the goals have changed from guaranteeing a basic income to benefits that affect the quality of life. Money has been exchanged for shorter working hours, better vacations, or job security.

Now the chairman's staff is putting on the table more and more new and complicated questions: improvement of the wage systems, earlier retirements, targets for shortening working hours....

Because Sulo Penttila is interested to the point of exasperation in many areas of society, comments may touch on any subject whatever: perhaps the impact on the environment of leased equipment appearing in enterprises, while the owner of the machine is sitting in the bank and no longer in the manager's office. Nor have the wage-earners' funds been forgotten.

"Finland's wage-earner funds will obviously be more tied to individual enterprises than in Sweden, for example."

Today the chairman is also interested in how the wage systems can be simplified, how young people can be employed through familiarization programs, or why Finnish produce cost the most in Western Europe.

"We have been quite polite in this matter, and few consumers know that margarine is already a more domestic product than butter."

The length of the trade-union leader's "feelers" is illustrated also by the fact that Sulo Penttila and his staff moved strongly into action when there was a risk that the Silja [company's] order for two ferry boats would be given to Japan.

"We have fought hard for Finnish interests in these boats, and now the principle has been approved that the domestic percentage of these boats will be raised to 90 percent."

Who pays for the losses?

"The loss will be divided among three parties: the state, Wartsila [company], and naturally the shipping company that ordered the boats assumes the risk."

Will Wartsila do that?

"They surely claimed to have built the boats. Perhaps the decision was influenced by the fact that these two boats fit in very well for construction during slack periods," says the chairman.

During the period of Sulo Penttila's career, the employer has also changed his viewpoint. The old patroon has fallen, and in his place there are labor-market technocrats with pocket calculators within reach.

"A Finnish capitalist is by American standards a Socialist. He is open-minded in his social views, and there is much more socialism and deeply penetrating fairness in the average Finnish enterprise than with employers in many other countries," says the chairman.

Through the years the Finnish capitalist has come to know Sulo Penttila as a man who also "senses what can be obtained." Membership in the SDP executive committee and almost 30 years' experience in trade unions have given him a broader view than usual.

"He is the brains and string-puller of the Social Democratic wing of the SAK. When something has been agreed with him, you can trust his word," observes one employer.

Sulo Penttila's position can be described in many ways--for example by the fact that it was Sulo Penttila who nominated Pertti Viinanen as the new SAK chairman.

The conflicts between the two working-class parties have been most aggravated within the Metal Workers Union because many of the basic pillars of the trade-union movement have been "made of metal." Sulo Penttila says:

"There is a political line in the trade-union movement--in one direction or another--that has been established here in the Metal circles."

In Metal, both Social Democrats and Communists have usually staked out the boundary between hopes and possibilities. According to Sulo Penttila, serious attempts have been made from time to time toward common goals with the Communists, but without success.

"The Communists think that making social compromises and adopting a low profile in times of recession are weaknesses of a capitalist society, and for this reason even today they are hurling accusations of class betrayal," says the chairman.

In Sulo Penttila's opinion, the results of negotiations are belittled. Even though the results have not always come about after a big noise, they can be listed today for his enjoyment:

"A whole series of quite significant changes in working hours over the past 23 years, which is sometimes forgotten. First of all, we have moved from the 48-hour week of uninterrupted three-shift work to a 36-hour week."

At the same time, in interruptible three-shift work we have moved from a 47-hour week to a 38-hour week. The workweek in day-work has shortened from 47 hours to 40 hours. The hours of shift work have changed since 1960 so that the wages for 8 days off are paid as so-called "holiday and weekday compensation."

There is even a little bit of pride in Sulo Penttila's voice when he adds: "A couple of decades ago a worker received two weeks vacation after a year of employment, whereas now after the winter-vacation change he gets 5 weeks. And he gets a payment of 50 percent on returning from vacation."

"The Metal Union has been a forerunner in these matters, so there have been good and bad sides to this trail-blazing position," the chairman smiles.

Even now the SAK program contains a goal, according to which working hours should be shortened gradually over 5 years by 10 percent. The chairman wants this goal to be remembered in government negotiations as well.

"There cannot be a suitable model for every area in shortening working hours. But there can be many kinds of options: for example there could be a nine-hour work day in winter and a seven-hour day in summer.

"There might be a four-day workweek in two-shift work, where the days off would be given after a longer period of time. Thus the factory's [average] operating time could remain at five days a week," the chairman thinks.

Sulo Penttila does not believe that shifting from an eight-hour day to a seven-hour day will generate new jobs, rather the employers' shift to automation will replace the hours lost.

"Shortening average working hours will guarantee jobs in the long range," the chairman believes.

The important position of the Metal Workers Union, symbolizing the prow of the trade-union movement, and Sulo Penttila's more than fifteen years of leadership, surrounded by faithful followers, have generated a desire for opposition both internally and externally. The chairman has not tolerated criticism in recent years.

One "speaker of truth" on the inside had to experience this bitterly. He was brave enough to bring skeletons out of the closet by charging, among other things, that the union's princely monies were being used to centralize power to the leading gang. In this way they would become more and more distant from the rank-and-file. This speaker of truth received a "serious warning" and a letter whose contents had been taken from the paragraphs in the labor contract relating to termination of employment.

Even though Sulo Penttila himself tried a couple of years ago to discipline his own people by warning against the centralization of all activity into the hands of the activists in the organization, this has happened. The group of activists and agents has become a self-perpetuating clique, governing the internal affairs of the trade-union movement.

Whereas at the beginning of 1975 there were some 50 agents and the same amount of staff in the Metal Workers Union, there are now more than twice as many.

There are about a hundred agents, and there are also the personnel of the Murikka institute on the payroll: altogether about 240 people.

The union's income from member dues is also increasing from year to year: last year's gross total amounted to 97 million markkas. Economists hide to some extent in the cloak of business secrecy, but the union had left 50 million markkas to finance activities, of which expenses for personnel, including wages and travel, exceeded 21.5 million, the publication AHJO and publicity 7.4 million, and operation of Murikka and other institutions 7.5 million markkas. The union's bookkeepers observe, however, that everything is relative, and calculate that the union's balance is less than three percent of the final total of Wartsila, for example.

Chairman Sulo Penttila has also been criticized from another direction. Kauko Parkkinen, who has been in the pay of the employers, took aim with full force in his pamphlet "The Politics of Destruction is Made This Way":

"Generally it is very dangerous from the point of view of society if leading groups arise and grow claiming to represent the so-called nation or part of it, viewing the world from ivory towers that are rotating according to their own world values. In addition to organizations in the labor market, this has happened in the political parties, at least. And they both have their feelers extending their reach into every corner."

In Parkkinen's opinion, the trade-union movement has its trade section and its agents, who often are much less scrupulous than the Helsinki headquarters. The parties again have their own officers appointed on a political basis.

"When party politics and trade-union politics are intertwined, you get a rope that can be grasped firmly. The activities of the staffs of the parties and the labor-market organizations take place without any really influential control, because everything is based only on a responsibility for explanation," say critics.

In Sulo Penttila's opinion the criticisms are just a collection of letters-to-the-editor bound together. The chairman thinks it is exaggerated to call present labor-market politics the politics of destruction.

"This criticism is based on the fact that in recent years we have emphasized benefits that are protected from inflation causing the employers increasing social expenses. It is generally thought by employers and entrepreneurs that when money is used as the means of payment it has to be spent because of inflation. The employers think it is easier to deal with these matters in that way," Sulo Penttila observes.

When people speak about the power of the trade-union movement in Finland, Sulo Penttila wants to remind us of the firings, evictions, and other forms of oppression that simple membership in Metal have aroused ever since the days of the War of Independence.

"The trade-union movement has taken its power seriously, and it doesn't come from me; you can't accuse it of recklessness in its struggles for power. It has always been careful not to use this power against society.

"Even in my first speech as chairman I started from the fact that this organization will always act on behalf of the Finnish nation and never against it."

When Sulo Penttila retires, one of the last of a long line of veterans will have left the stage. In the change of generations, the younger people even now are entertaining hopes for new values and attitudes, for a new and open appraisal of the role of the trade-union movement and for changes in procedures:

"Perhaps it will no longer be necessary to conduct secret negotiations at the Katajanokka Casino or the Finnish Club, as was done in the 1950's, in order to agree about things in a small group and to push decisions through one's own group," dreams one union member.

9611

CSO: 3617/107

PURCHASE OF U.S.-MADE FIREFIGHTING SYSTEM SEEN ADVANTAGEOUS

Athens ELEVTHEROTYPIA in Greek 16 May 83 p 16

[Article by Spyros Karatzaferis "We Are Discussing with U.S.A. Purchase of Revolutionary C-130 Firefighting Airplane"]

[Text] Since last February the government has been studying a new system of firefighting airplanes and talks began today at the Greek Aviation Industry, in Tanagra, between a representative of the American manufacturing company and representatives of the Ministries of National Economy and Agriculture and the EAB [Greek Aviation Industry] to examine not only supply prospects but also the possibility of manufacturing the entire system in our country.

Essentially, the new system which is considered at this point as the best in the world, no longer uses firefighting airplanes because it is adapted to the C-130 carrier airplanes of our Air Force. Furthermore it is very economical, its cost being no higher than one fifth of the price of a firefighting airplane. The system is called "MAAFS", it is manufactured in the U.S.A. and it is used there by the Air Force. Great Britain, France, Germany, Brazil and many other countries acquired this same system.

The "MAAFS" is in fact a system of tanks which can be adapted to C-130's in 45 minutes and it has a carrying capacity of 10 tons of a special liquid used to put out fires. The approximate value of one such system is \$1 million whereas the value of a CL-215 firefighting airplane (like those we use at present) is \$5 million.

We are Given the 'Know-How'

In the course of the talks which begin today the possibility of the EAB entirely manufacturing the system will be examined, with the company giving us the "know-how". Prospects of selling the system to other countries are being considered also. Should an agreement be reached, the American company will lend us immediately one such system as normal delivery takes 3 to 4 months and by then the summer will be over. If an agreement is reached it appears as likely that by the summer of next year the EAB will have manufactured such systems.

12278

CSO: 3521/329

COOPERATION WITH SWEDEN INTENSIFIED

Athens I KATHIMERINI in Greek 21 May 83 p 13

/Excerpts/ Sweden has submitted a proposal to purchase 150,000 tons of alumina a year from Greece over a long-term basis and also to participate in the construction of major construction projects the value of which will be covered 100 percent by the import of Greek products.

The proposal was made during the session of the Joint Greek-Swedish Bi-Ministerial Committee held yesterday at the Ministry of National Economy.

Also discussed at the session were pending Swedish proposals for the construction of a hospital in Ioannina and telecommunications equipment plants in cooperation with the Greek ELVIL /Greek Fertilizer Industry/.

An announcement of the Ministry of National Economy also mentions that:

- Also discussed was the creation of joint enterprises in Greece for high technology transfer, as well as joint enterprises for the protection of the environment (small plants for processing waste products and their conversion into heat energy), the establishment of a factory to manufacture bicycles, a factory for processing agricultural products for export to Scandinavian countries, as well as joint enterprises for the development of Greek mining resources.

- It was determined that Greek exports rose 35 percent. Negotiations have begun on the establishment of a center for the distribution of fresh Greek fruits and vegetable products and the setting up of refrigeration units in two Swedish cities for the purpose of promoting Greek products in Scandinavian markets.

5671

CSO: 3521/322

DETAILS ON NEW 500-MILLION DOLLAR LOAN

Athens I KATHIMERINI in Greek 12 May 83 p 1

[Text] The agreement for the granting of a loan to Greece in the amount of 500 million dollars was signed yesterday in London. The agreement was signed by the deputy director of the Bank of Greece, Mr. Evang. Kourakos, and representatives of a group of large international banks.

As was made known yesterday, the term of the loan is 7 years with a 4-year grace period. The interest rate is that of the prime interest rate in London for 3- or 6-month deposits of Eurodollars, increased by five-eighths annually. The time limit for the assumption of the loan is 1 year. The terms for contracting the loan are considered satisfactory and show--as reported yesterday in a government release--the high credit potential of the country.

The loan will be assigned to the administration to cover its financing needs as well as for the payment of the amortization of public fund debts.

The international group of lenders includes the following banks:

The Bank of Nova Scotia; the Bank of Tokyo, Ltd.; Bankers Trust International, Ltd.; Citicorp International Bank, Ltd.; the Dai-Ichi Kangyo Bank, Ltd; Gulf International Bank, B.S.C.; Kuwait Foreign Trading, Contracting and Investment Co. (S.A.K.); Lloyds Bank; International Bank, Ltd.; the Sumitomo Bank, Ltd.

It must be noted that there are no French or American banks in the group of banks which will grant the 500 million dollar loan. The banks of the group are British, Japanese and Arab.

9731

CSO: 3521/311

BRIEFS

APRIL UNEMPLOYMENT UP--The OAED [Labor Force Employment Organization] announced yesterday that the number of unemployed registered with OAED last April amounted to 64,823 compared with 51,512 in April 1982 --a 25.8 percent increase. Moreover, according to OAED data, the average number of unemployed --of a total work force of 1,523,900-- during the January-April 1983 period was 79,018 compared with 64,050 during the corresponding period in 1982 --a 23.4 percent increase. The OAED also announced that the overall number of aliens working in Greece as of 31 December 1982 was 29,766 --21,755 men and 8,011 women-- compared with 30,016 in 1981 and 28,628 in 1980. [Text] [Athens I KATHIMERINI] in Greek 19 May 83 p 11/ 5671

CSO: 3521/322

'CENSIS' REPORT ON PRESENCE OF GUEST WORKERS

Rome L'ESPRESSO in Italian 27 Feb 83 pp 170-178

[Article by Mario Scialoja: "The Africans in Italy"]

[Text] There are about 800,000 of them, mostly illegal and underpaid. Some claim they take jobs from our workers, and others say they do work that Italians won't. In any case, they have become a national problem.

Rome. They are an army: more than 800,000 of them. An army of mercenaries, largely clandestine, a ghostly army. The official figures supplied by the Interior ministry are still firm at 380,000 foreign immigrants in Italy looking for work. But this figure is being deliberately kept at somewhat less than the real number. In the past 15 years, Italy has undergone a profound transformation almost unnoticed; from a country of emigrants it has changed into a country of immigration.

The ministry is not the only one to grope when it comes to figures. Nobody is in a position to say exactly how many people comprise the human river of "clandestines" that have crossed our borders. The unions don't know the exact number, nor do the welfare officials, nor do the consulates of the countries from which they come. We can only go by the most recent estimates of some research institutes. And one of the estimates that appears most plausible is that of 800,000 people. It comes from Giuseppe De Rita, general secretary of CENSIS (Social Investment Study Center), in his report to the convention held in Venice last January on the subject of "Foreign Workers in Italy." A few examples will clearly show that the official figures do not give a full account of the phenomenon. The ministry of Labor counts 548 Tunisians and 198 Moroccans in Italy, while in Mazzaro del Vallo, Sicily, there is talk of 5,000 Tunisians working on fishing boats in that place alone, and the unions estimate that 30,000 Moroccans are illegally employed in this country. Official figures put foreign "household workers" at 11,000 in all, while the estimates of CENSIS and the various regions cite more than 100,000 family domestics alone employed by well-to-do families.

The largest battalion of the immigrant army is made up mostly of young colored women. They come from far away, mainly from the "islands in the sun," Cape Verde, Mauritius, the Seychelles, Sri Lanka, the Philippines, Somalia, Eritrea, India, and the countries of Latin America. Aided little or not at all by their consulates, they are "sold" by specialized agencies that seek to place them in the most appropriate jobs. Appropriate to the employer, of course (low wages, no deductions for social security, etc.), contrary to all the rules of employment provided by Italian law.

Nelly comes from the Philippines. She worked until recently as a maid in Rome and now lives in a small, run-down apartment with five compatriot wage earners. "We are brought here," she says, "by mysterious private agencies that come to our country and offer us miracles. We have to pay out about 2.5 million, and often when we come to Italy we find that the agency has disappeared or that the people offering the job have had second thoughts. Then we have to go into debt to an agent who finds us another job, which is always clandestine. When we go to our embassy in Rome, they treat us as a nuisance. None of us has been helped by consular or diplomatic officers."

Isabel B. testified at the recent convention in Venice. She is a household worker from Cape Verde. "I seem to be on a one-way street. I work 12 hours a day. I earn 280,000 lire a month. I have to sleep in the kitchen, and on Sundays in Turin I really don't know where to go. If I make the slightest mistake, the boss lady threatens to call the police and have me sent home." Elvira Bueno, a brown South American, added, "If you're not legal or don't have a residence permit, you have two choices: leave or put up with all kinds of guff, from half wages to obscene proposals."

De Rita says, "This is something we just can't close our eyes to. It began taking shape in the last 10 years and appears to be rapidly expanding, despite the economic recession. Before we take appropriate steps to regulate this phenomenon, we have to know what it is." The few studies on the matter show that foreign workers in this country have the humblest and most exhausting jobs. These jobs have been abandoned by Italian labor, and they include domestic work, heavy work in the hotel and restaurant sector (chambermaids, porters, and dishwashers), fishing, construction, seasonal work in agriculture, and work as stevedores and pushcart peddlers.

But how is it possible that in the present economic recession, with 2 million Italians looking for work, there are jobs not "desired" by our fellow citizens? "It's hard to explain, but that's the way it is," said Nino Sergi, of the CISL [Italian Confederation of Labor Unions] Foreign Office, speaking to the Venice convention. "And some people are taking advantage of the situation to create opportunities for exploitation; it is only fair that foreign workers in Italy receive the same treatment that we have sought to get for Italians abroad."

The rising tide of immigration that is sweeping over Italy has complex causes that were recently analyzed in a report from the CGIL [Italian General Confederation of Labor] in Milan. We can outline some of these causes. There is a set of external causes including heavy demographic pressure, excessive urbanization (which creates new and large pockets of poverty) and tragic living conditions in many countries of the Third World. There are two internal causes: the socio-economic-cultural attitude of some strata of Italian workers who tend to abandon jobs considered too demanding or demeaning; and there is the possibility for employers to use workers who are kept clandestine, "silent" and therefore underpaid, manipulable and docile.

To get a more accurate picture of the flow of immigration and the problems it poses, let us examine the situation in the regions where it seems to be most prevalent. Where do the "black people" in our home come from, and what do they do? First, a general fact. According to CENSIS estimates, "there has been an increase in immigration in recent years, mainly from African and Asian countries." While the ministry of Foreign Affairs does not agree with the CENSIS estimate of the total number, it does admit that there has been a large increase in workers from the Third World and offers this evaluation: for every 100 workers coming to Italy from industrialized countries in 1969, there were 100 workers from the Third World; in 1981, there were 140 of the former and 285 of the latter.

Piedmont. In the Piedmont and especially Turin, a wave of migration is coming in from the Third World. It is a recent development, linked partly to the slackening of immigration from the South of Italy; it is a new factor that Fiat will have to start coming to terms with. A recent study conducted by the community of Turin shows the size of the phenomenon: there were 3,700 foreigners with regular visas in 1979; 7,100 in 1980; and 10,500 in 1982. Of course, there are many "clandestines" in addition to the "regulars." There are at least 10,000 illegal aliens in the Piedmont capital alone. Who are they? What are they doing? There are about 4,000 "nomads" (mainly North Africans) linked to strange organizations that send them out to sell all kinds of rugs, tablecloths, wood sculptures and odds and ends on the street. Then there are the household servants, Filipinos, Thais, Vietnamese, Singhalese, Ethiopians, Eritreans, Salvadorans, Bolivians, etc., such as are found in any big city. Some have also begun to move into some industries (especially foundries, where the work is very hard) and small factories. Here, however, it is hard to hire illegal aliens, and the practice seems to be limited at present to a few hundred cases. But it may increase without notice.

"For the moment, foreign immigrants in the Piedmont form an underground microcosm," says Dino Sanlorenzo, vice-president of the regional council. "Few have found work in the production system, and most are adapting to the heavy, low-paid work that Turinese won't take."

Lombardy. Of the 150,000 immigrants living in Lombardy (60,000 in Milan), about 20,000 come from EEC or OECD countries and are privileged to hold good jobs with all legal protection. The others form the great magma where almost anything can happen and almost anything is permitted. One of the most serious problems for them in Milan is lodging. Many spend 70 percent of their wages for a bed. Most often they are piled up 5 or 6 in a room or a micro-apartment on the outskirts of town.

"I take care of Ethiopians, Eritreans, and Somalians, mainly, about a thousand of them, and I give out hot pasta to about 200 every day," says Don Marino, a Capuchin friar from Eritrea at the Milan monastery on Via Piave. What are the living conditions of the people he helps? "Bad. Almost all are illegals; some have escaped from wars in their own countries and have no papers. They get into Italy illegally and can't hope to obtain visas. I think the Italian government ought to give them political refugee status, as it does for many Chileans and Vietnamese."

Two years ago the Milan CISL created the CESIL (Workers' International Solidarity Center). It is headed by Augusto Piazza and Damiano Bonini, who explain that the immigrants who have come to them are almost all illegal. "Half are employed as household workers and are mostly women. They also work in pizzerias, bars and restaurants. Once it was Neapolitan riffraff; now it's illegal or semi-legal workers. The riffraff have become straw bosses who hire underpaid workers. Then the immigrants work as janitors, garage or warehouse attendants, and do heavy construction work. There are a lot of Egyptians in construction; building contractors save a mint of money hiring them." The CESIL has also published a "practical guide" for immigrants (a 24-page illustrated pamphlet with advice and information, and they are compiling requests that the union will present to the city government. One basic point is the "right to health care on a basis equal to Italian workers."

Liguria. In Genoa, the Association of Ocean and Ship Captains puts the number of colored people in the merchant marine at about 40 percent (more than 10,000); they are mostly Central Africans and Asians. An "international" crew enables shippers to save up to 25 percent on the cost of running a ship. Foreign sailors are generally hired only on the basis of their passports, which thus evades any contractual guarantees and social security benefits.

Latium. A study of the situation of foreigners in Rome, carried out by the CGIL in collaboration with the university in 1981, stated that out of 79,800 counted only 27,000 came from the Third World. This estimate is very much out of date. The flood of immigrants has definitely increased in the capital. The largest colony seems to be that of the Cape Verdians and Filipinos, followed by those of the Eritreans and Somalians. Father Ryan, an Irish priest at the church of San Silvestro, where he says mass in English, says, "Up to a few years ago, a few Filipinos, Singhalese and Thais used to come; no more than about twenty. Now as many as 600 show up on Sundays. In two rooms that we have made available to them, they sing, dance and form groups to go and visit their compatriots who are in the hospital."

A study on Latium reveals that in the past year only 30 percent of the male immigrants had a steady job and that 50 percent were unemployed. The most common jobs were what you would expect in a big city: household workers, chambermaids, dishwashers, hod carriers, street vendors, etc. Only the most fortunate have succeeded in finding steady jobs as porters or watchmen in some factory in Pomezia or as farm workers in the Latina area.

Sicily. The boats from Tunisia come to Sicily once a week. The "Africans' boat" pulls into Trapani on Saturdays at 1900 hours; in Palermo, on Thursdays at 0600. Every time it brings about 400 Tunisians and other Maghrebi. Some have tourist visas, some get by without any, some leave after a few days, and many remain. There are now thought to be more than 5,000 illegal Tunisians in Sicily. Many are working on fishing boats out of Mazara del Vallo and Trapani, and their wages are somewhat below those provided by contract; however, they are not insured and are not reported to surveillance organizations. In the Agrigento region and in other farming areas in the interior of the island, Tunisians, Libyans, Egyptians, and Algerians are employed as laborers, mainly for seasonal work. They are hired under the ancient system of on-the-spot recruitment and daily pay (about 18,000 lire), which is distributed by a "corporal" acting as paymaster. The immigrants help each other survive by means of an almost tribal microeconomy. In some areas of Sicily, the Arab immigrants have set up small casbahs with their little markets and a system of lodgings.

Emilia-Romagna. The most recent development on the foreign-labor market is the immigrants' employment in industry proper. As we have seen, some immigrants have been working in foundries in the Piedmont. A 1981 study in the Reggio Emilia province shows that more than 300 foreign workers were employed in metalworking, (especially in foundries) and that there were more than 1,000 of them in all, while 4,000 Italians were on the unemployment rolls and 2,000 were on wage supplement. Once again the question arises: How come? Luciano Bertolini, the owner of a foundry in Montecchio, says, "I've combed the region and all of Italy for people to work in the foundry; everybody turned me down. Too hot, too tiring, they say. Then I took on some Egyptians. I don't regret it. I now have 38 of them, and the plant is once again running smoothly." Another small businessman in Albinea looked for workers for his rug factory for months. "The work is too repetitive, too boring," they told him. So he hired Egyptians and Tunisians. Throughout Emilia-Romagna, Africans and some Asians like them have found jobs in the building trades and also in some factories and brickworks. In Venetia, tanneries in the Vicenza region employ hundreds of colored immigrants. However, they are often illegals, who are paid "under the table."

At this point the situation must be faced somehow. What to do? Should the borders be closed again, thus exercising a protectionist option that we blamed other countries for when they refused our emigrants in past years? Our governmental structures seem unprepared to meet the challenge. At the moment the government is heading in two directions at once. A regulation passed a year ago seems only to have increased the number of illegals. The Senate recently passed and sent to the Chamber of Deputies a bill authored by Minister Michele Di Giesi to provide equal economic and social assistance to both foreign and Italian workers. This is certainly a step forward compared to an earlier bill proposed by Virginio Rognoni, which was little more than a harsh police crackdown. But the unions are also criticizing the Di Giesi proposal, observing that it applies only to settled employees and does not take into account border-crossers and seasonal workers; nor does it mention civil rights and the like. "The bill now under discussion does not go beyond control of the labor market and must be considered a first step," we were told by Franco Salvatori, of the CGIL International Office. Foreign Affairs Undersecretary Mario Fioret defended the government's bill when he spoke at the Venice convention on foreign workers; he says that in this area "humanitarian motives are just, but caution is also needed. We have to be ready to meet the immigrants as we ought to, not by putting them in ghettos. For that reason their number is controlled."

For his part, the general director of Confindustria [General Confederation of Italian Industry], Alfredo Solustri, has held that "taking in foreign workers runs the risk of increasing present inequalities, because underpaid illegal labor is unfair competition for our own workers." Many people reply that this is not true. The director of CENSIS [Social Investment Study Center], Giuseppe De Rita, notes that "foreign workers are often hired in an attempt to ease the ever-increasing rigidity of the Italian labor supply. Immigrant labor thus complements rather than replaces our domestic labor force." "It's an old prejudice that foreign workers steal jobs from Italians," says Massimo Strappazon, a student of the situation, and Franco Monguzzi, the author of a study of immigration into the Piedmont, adds, "As Third World immigrants have concentrated mostly in heavy labor and construction work, they have made it possible for Italian workers to move into more interesting positions in the tertiary sector." Mario Gargano, Christian Democratic undersecretary of Labor

and chairman of the Regional Commission on Employment in Campania and Basilicata, puts it most simply, "People hereabouts want the job, not the work."

He seems to be right. In Naples not long ago, the Pontello company's bid won a contract to rebuild the sewerage catch basins and advertised 800 jobs. Only 3 people applied. But when jobs for ushers were advertised in the Campania region, there were 11,000 applications.

How Many There Are

Foreign workers in Italy: about 800,000
Clandestines: 80 percent
"Regulars": 20 percent
Seasonal workers in Italy: about 200,000

The most recent estimate by CENSIS puts the number of foreign workers at 800,000. That is about half the number cited by the ministry of the Interior. To these can be added "seasonal" workers, who come to Italy for 4 or 5 months out of the year. At least 80 percent of the foreign workers from the Third World are clandestine.

Where They Come From

200,000 "Islands in the sun": Cape Verde, Mauritius, etc.
80,000 North Africa: Morocco, Algeria, Tunisia
40,000 Egypt
40,000 Asia: Thailand, India, Indonesia, Sri Lanka
30,000 South America
55,000 EEC countries: northern and central Europe
35-40,000 Greece
30-40,000 Yugoslavia
10,000 Spain and Portugal
50,000 other countries

Immigrants from the Third World have increased by 200 percent in the last 10 years; they are Africans, Asians and South Americans. The figures given above reflect the most recent data.

[A map showing distribution is on the following page]

[caption] How They Are Distributed

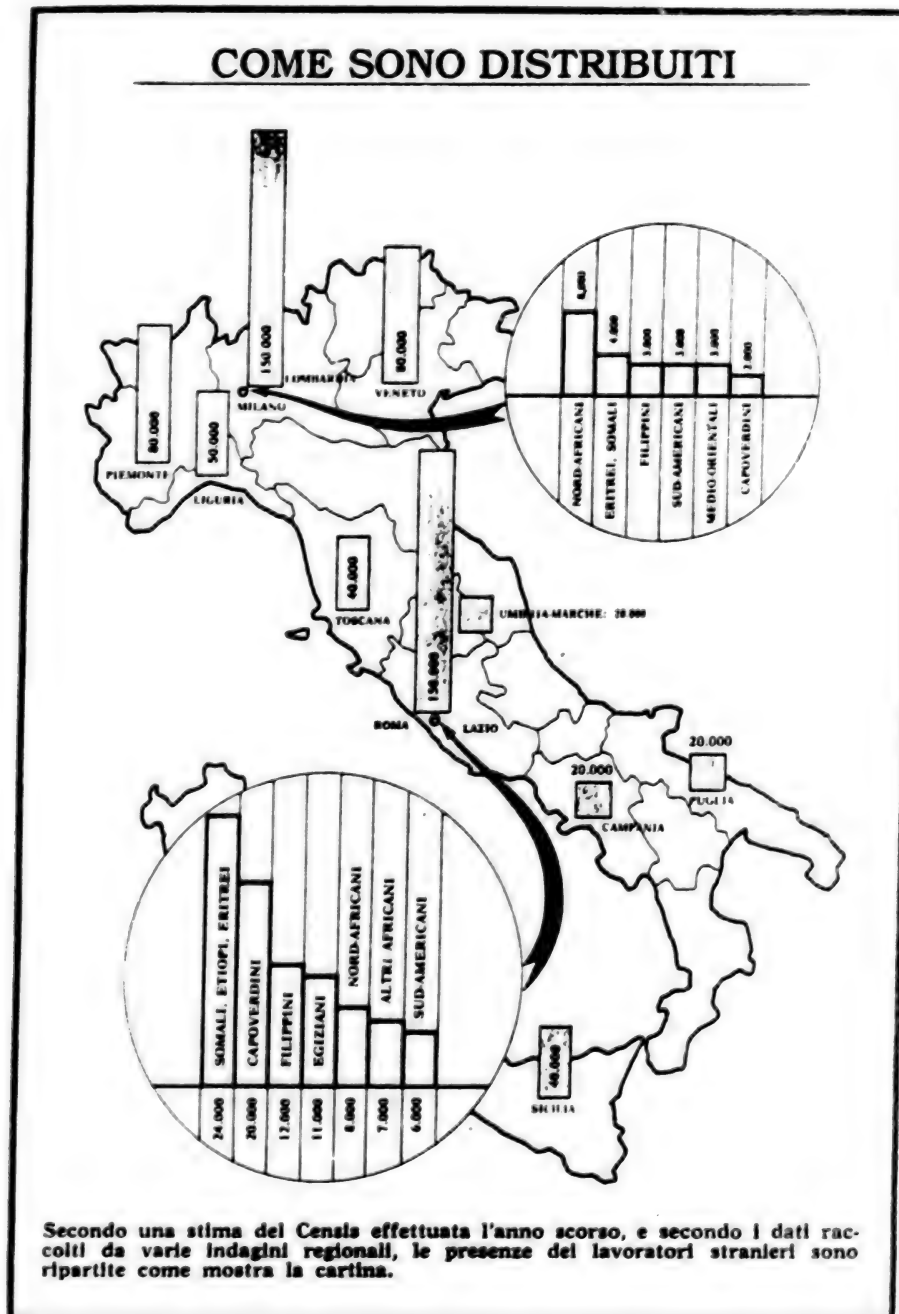
[note] According to a CENSIS estimate made last year and data gathered by various regional studies, foreign workers are distributed as shown on the map.

[top circle, left to right]

North Africans	8,000
Eritreans, Somalians	4,000
Filipinos	3,000
South Americans	3,000
Middle Easterners	3,000
Cape Verdians	2,000

[bottom circle, left to right]

Somaliens, Ethiopiens, Eritreens	24,000
Cape Verdians	20,000
Filipinos	12,000
Egyptiens	11,000
North Africans	8,000
Other Africans	7,000
South Americans	6,000



ANALYSIS OF EARLY RETIREMENT DECREE-LAW FOR PUBLIC SECTOR

Rome CONQUISTE DEL LAVORO in Italian 14 Mar 83 (Supp) pp 2-3

[Article by Elio Corrente: "Early Retirement: an Undoubtedly Pressing Issue"]

[Text] The decree-law of 29 January 1983, No 17, has drawn the attention of public opinion to a burning issue, that of early retirement in the public sector.

It is not our intent to go into this law in detail. It has been widely reported in the specialized and non-specialized press.

As is the custom with the "Punto Lazio" news supplement, we shall analyze the problem briefly and then give policy recommendations.

Social security in the public sector is, of course, affected by severance pay. We know that conditions in this area are not as favorable as in the private sector and that the system is, in any case, very different in the public sector. We realize that there is an urgent need to solve the problems linked to severance pay and the unification of the agencies involved (ENPAS [National Board of Social Security and Welfare for Civil Servants], INADEL [expansion unknown], etc.).

However, we shall be dealing exclusively with early retirement pensions here; the pension and social-security issue is admittedly much larger and more complex.

The Early Retirement Issue

The report of the study commission chaired by Prof Castellino on behalf of the Treasury ministry (1981) brought out the differences between the various pension systems for early and regular retirement, differences prevailing not only between the public and private sector but also within the public sector itself (see Tables I and II).

While pension systems set the retirement age at 60 and 65, /the public sector allows early retirement at any age/ [emphasized in the text], provided the employee has served at least 20 years in the national government or 25 years in local government. These limits are reduced by 5 years for women who are married or have children. Pensions are also given on the basis of even lower accrued time because of particular regulations (education, etc.). In the private sector, early retirement --the so-called old-age pension--can be taken with 35 years of contributions to the retirement fund; almost all so-called figurative contributions (bonuses, etc.) are excluded. However, the FPLD [expansion unknown; a program under the National Social Security Institute] does not allow retirement before age 50.

There are other ways of adjusting the retirement age (discounts under law No 336, early retirement in industry for companies in financial difficulties, disability, etc.), and some of them are of debatable worth and cause special harm to fund reserves. But the Castellino commission has shown how early retirement in public employment is also a source of high costs to the government. A survey taken by the commission, albeit with a small sample, shows that fewer than 14 percent of government workers and fewer than 16 percent of local government employees reach retirement age (Table III).

The Castellino commission has proposed, among other things, abolishing immediately the 5-year bonus to women who are married or have children (a measure that does in fact appear in the decree-law). It also proposes the gradual equalization of requirements for voluntary early retirement first among national and local government employees and subsequently among white-collar workers generally.

Table I: Pension-Granting Institutes in the Public Sector

<u>organization</u>	<u>workers covered</u>
Treasury ministry	national government workers and employees of autonomous agencies
State Railways Pension Fund	employees of the Autonomous Railway Agency
Postal-Telegraph-Telephone (IPOST) Institute (independently-managed fund)	personnel of local offices and agencies (ULA) [expansion unknown]
Insurance Funds under the Treasury ministry:	
(1) CPDEL (Local Government Employees Pension Fund)	
(2) Health Pension Fund	local agency and hospital employees
(3) Mental Health Workers Pension Fund	
(4) Judicial Offices Pension Fund	

Some Specific Questions Linked to Calculating Pensions

There are some notable differences in the ways in which public and private pensions are calculated, especially in the public sector. There is the special integrated indemnity, which, for civil servants, is always 80 percent of active employees' pay, no matter how many years they may have put in. In the private sector, however, unemployment benefits are an integral part of pensionable pay and is therefore proportional to the number of years insured, to the salary years taken as a reference base (national government: the last pay received; INPS, the last 5 years with the first 4 years adjusted); and to a different scale of parameters with advantages for the national government and local governments (see Table IV): with 15 years, the State gives 14.3 percent; CPDEL, 37.5 percent; INPS, 30 percent; with 40 years, the State gives 94.4 percent; CPDEL, 100 percent; INPS, 80 percent.

Table II: Retirement Age, Early Retirement, Pension-Salary Ratio

<u>authority</u>	<u>retirement age</u>		<u>early retirement pensions</u>	<u>salary-pension ratio</u>
	<u>men</u>	<u>women</u>		
Treasury ministry insurance institutes	60	60	25 years of service (20 for women married or with children)	100 pct of pension- able salary with 40 years of service (last month)
National government: ordinary pensions	65	65	20 years of service (15 for women married or with children)	80 pct of pension- able salary with 40 years of service (last month)
Post Office (ULA)	65	65	(see National govern- ment) 15 years with illness severance	80 pct of pension- able salary with 40 years of service (last month)
Railway workers	58 (60)		for resignation and layoff (see National government); 10 years of service are also sufficient	80 pct of pension- able salary with 40 years of service (last month)
FPLD (INPS [National Social Security Insti- tute])	60	55	35 years (excluding leaves, etc.)	80 pct of the average pensionable salary in the last 5 years with the first 4 years ad- justed, after 40 year of service

The Castellino commission still thinks that the preferential treatment enjoyed by groups with less seniority is unjustified. It also thinks that a study should be made for revising the way in which the special indemnity is calculated for government pensioners. Upon retirement, this indemnity would thus be made proportional to contributions (an attempt to adjust the special indemnity can be found in the Gorla decree). The commission projects, among other things, that the indemnity will amount to 70 percent of the average national government pension by 1985, whereas it stood at about 50 percent in 1980.

This series of differentiations (scale of parameters, special indemnity, and base pay) leads to great inequities in the computation and value of pensions. An article by Bruno Bertona, of the Confederation Pension Office, appeared in CON-QUISTE DEL LAVORO, No 9, 28 Feb 83; it pointed out in particular that at lower ages the pensions for civil servants is more than double those of the FPLD (Table V). We are reporting the tables, with the simulations made by Bertona, to facilitate our readers' understanding, even though these tables have already appeared in other journals.

The Debate Over Entitlements

Many have raised the objection that decree-law No 17 affects an acquired and therefore inalienable entitlement to the extent that it tends to modify the regulation in force at the time the labor law goes into effect.

In an article in the 16 February issue of LA REPUBBLICA, Ermanno Gorrieri contests this point. He says that up to 1959 there was no wage indexation in government employment. Law No 324 of 1959 instituted special wage indemnity, which was to be computed annually by applying cost of living allowances at a fixed rate of 40 thousand lire a month. This system was radically changed by law No 364 of 31 July 1975, which essentially extends to government employees the formula in use in industry, one that was much more advantageous than the preceding one.

However, Gorrieri says, as far as the new law is concerned, public employees beginning work after 31 July 1975 can protest (they would not have enough seniority to ask for early retirement).

For the other employees, the national government should promise an indemnity computed according to the provisions of the 1959 law; its present effect would be to assign pensioners 196,800 lire rather than the 448,554 lire they now receive.

Some claim that while it is a good thing to eliminate privileges, it should be done exclusively to future employees. In practice, they say, it would be inadmissible to make reforms that would provide treatment less favorable than what is now available. However, Gorrieri reminds us that two events recently took place without any opposition: the abolition of anomalous wage indexation by law No 91 of 31 March 1977 and the recent agreement of 22 January 1983, which reduced wage indexation for all workers and, consequently, for pensioners as well.

The Political Prospects

As for the decree, I think there is no need to adjust the point value of wage indexation, which ought to be equal for all, and that the present figure of 448,554 lire should be guaranteed in the future to old and new pensioners alike.

But the issue is obviously more complex, and as far as the approval of the decree is concerned, it may be said that:

[1] There is certainly a problem with early retirement. Pensions must be put in order justly and equitably even as pension-fund costs are contained. At a time when drastic measures are being taken to eliminate gross distortions in the retirement system, such as disability and illness payments, etc., the problem of early retirements cannot be neglected. Besides, at a time when various kinds of proposals are being made around the country concerning retirement age, we think the presence of such marked forms of early retirement is anachronistic. (Former Labor Minister Di Giesi recommended that the retirement age be obligatory as a measure aimed at making up the INPS deficit; the unions hold that it should be voluntary as an active labor policy for the benefit of older people.)

[2] This operation should be accomplished not through sporadic provisions but by standardizing pensions and making all optional early retirement pensions equal to the INPS old-age pension (35 years).

[3] In this context, any entitlements and acquired seniority should be preserved.

[4] The union has looked favorably upon the Scotti bill, which has been approved jointly by commissions I and XIII of the Chamber of Deputies (Constitutional Affairs and Labor Commission). This bill makes reforms in the pension system. Article 6 proposes extending some regulations of FPLD early retirement (35 years of contributions) to the substitutionary, exonerative and exclusionary systems of the INPS General Mandatory Insurance fund. This article also establishes a transition period lasting till 31 December 1990, in which the more favorable optional early retirement plans may be used.

[5] One of the consequences should be making pensions and pay completely non-cumulative, as is now the case in the private sector.

[6] Obviously, as time goes by and the law is not being debated in parliament, this transition period seems a bit tight to us. However, we do not believe in being rigid about the transition period, once the principle of homogenizing early retirement regulations is asserted. The CISL [Italian Confederation of Labor Unions], in an effort to protect entitlements, has drawn up a proposal of its own that recognizes acquired seniority as well as acquired entitlements.

[Key to Table III is on next page]

(1) **Tab. III: Distribuzione delle pensioni dirette di nuova liquidazione per età del beneficiario**

(2) **Dipendenti civili dello Stato - Anni 1976-79**
(Valori percentuali)

(3)	Anni di età	(4)	Maschi	(5)	Femmine	(6)	Totale
	Meno di 40 . (7)		0,89		3,95		1,89
	40 - 44 .		1,70		4,53		2,62
	45 - 49 .		2,84		6,71		4,10
	50 - 54 .		7,83		14,89		10,12
	55 - 59 .		40,73		27,10		36,30
	60 - 64 .		34,54		25,43		31,58
	65 ed oltre . (8)		11,47		17,39		13,39

(9)
Istituti di previdenza del Ministero del Tesoro - Anni 1976-79
(Valori percentuali)

(3)	Anni di età	(4)	Maschi	(5)	Femmine	(6)	Totale
	Meno di 40 . (7)		0,27		5,06		1,44
	40 - 44 .		0,56		8,91		2,59
	45 - 49 .		1,90		9,72		3,80
	50 - 54 .		7,68		14,32		9,29
	55 - 59 .		45,56		20,19		32,15
	60 - 64 .		29,70		21,27		27,65
	65 ed oltre . (8)		14,33		20,33		15,78

- (1) Table III: Distribution of Direct Pensions at Retirement by Age of Beneficiary
 (2) National government civilian employees, 1976-79 (in percentages)
 (3) years of age
 (4) male (5) female (6) total
 (7) under 40 (8) 65 and over
 (9) Treasury Ministry Benefits Institute, 1976-79 (in percentages)

Tab. IV: Scale parametrali per anni di servizio prestati per il calcolo della pensione sulla retribuzione pensionabile

(2) Anni	(3) Stato (Personale Civile)	(4) CPDEL	(5) Ferrovieri	(6) FPLD INPS
15	41,300	37,500	42,48	30
16	43,424	38,800	44,84	32
17	45,548	40,200	47,20	34
18	47,672	41,700	49,56	36
19	49,796	43,300	51,92	38
20	51,920	45,000	54,28	40
21	54,044	46,800	56,64	42
22	56,168	48,700	59,00	44
23	58,292	50,700	61,36	46
24	60,416	52,800	63,72	48
25	62,540	55,000	66,08	50
26	64,664	57,300	68,44	52
27	66,788	59,700	70,80	54
28	68,912	62,200	73,16	56
29	71,036	64,800	75,52	58
30	73,160	67,500	77,88	60
31	75,284	70,300	80,24	62
32	77,408	73,200	82,60	64
33	79,532	76,200	84,96	66
34	81,656	79,300	87,32	68
35	83,780	82,500	89,68	70
36	85,904	85,800	92,04	72
37	88,028	89,200	94,40	74
38	90,152	92,700	94,40	76
39	92,276	96,300	94,40	78
40	94,400	100,000	94,40	80

(1)
 Table IV: Scale of Parameters per Years of Service for Computing Retirement Income on Pensionable Pay

- (2) years
 (3) national government (civilian personnel)
 (4) CPDEL
 (5) Railway Workers
 (6) FPLD INPS

Tab. V: Confronto rendimento pensioni Inps, Stato, Enti locali all'1/1/83
(18 esempi teorici simulati)
(elaborazione di Bruno Bertona)

(1) Anni servizio o assicurazione	(2) Regime generale Inps		(3) Trattamento Stato			(4) Enti locali e S.S.N.			(5) Rapporti	
	% Retr. (7)	Importo mensile pensione lire (8)	% retr. (7)	% I.I.S. (9)	Imp. mensile pensione lire (9)	% retr. (7)	% I.I.S. (9)	Imp. mensile pens. lire (9)	Stato Inps (10)	Enti locali Inps (11)
(12) CASO A - RETRIBUZIONE MENSILE: LIRE 1.000.000 (1)										
15	30	300.000	41,30	80	633.722	37,5	80	617.395	2,11	2,06
20	40	400.000	51,92	80	679.352	45,0	80	649.620	1,70	1,62
25	50	500.000	62,54	80	724.982	55,0	80	692.585	1,45	1,39
30	60	600.000	73,16	80	770.612	67,5	80	746.293	1,28	1,24
35	70	700.000	83,78	80	816.241	82,5	80	810.742	1,17	1,16
40	80	800.000	94,40	80	861.871	100,0	80	885.932	1,08	1,11
(13) CASO B - RETRIBUZIONE MENSILE: LIRE 1.500.000 (1)										
15	30	450.000	41,30	80	840.222	37,5	80	804.895	1,87	1,79
20	40	600.000	51,92	80	938.952	45,0	80	874.620	1,56	1,46
25	50	750.000	62,54	80	1.037.682	55,0	80	967.585	1,38	1,29
30	60	900.000	73,16	80	1.136.412	67,5	80	1.083.793	1,26	1,20
35	70	1.050.000	83,78	80	1.235.141	82,5	80	1.233.242	1,18	1,17
40	80	1.200.000	94,40	80	1.333.871	100,0	80	1.385.832	1,11	1,15
(14) CASO C - RETRIBUZIONE MENSILE: LIRE 2.000.000 (1) - (2)										
15	30	506.775	41,30	80	1.046.722	37,5	80	992.395	2,07	1,96
20	40	675.700	51,92	80	1.198.552	45,0	80	1.099.619	1,77	1,63
25	50	844.625	62,54	80	1.350.382	55,0	80	1.242.585	1,60	1,47
30	60	1.013.550	73,16	80	1.502.212	67,5	80	1.421.293	1,48	1,40
35	70	1.182.475	83,78	80	1.654.041	82,5	80	1.635.472	1,40	1,38
40	80	1.351.400	94,40	80	1.805.871	100,0	80	1.885.932	1,34	1,40

Note: I.I.S. = Indennità integrativa speciale.

(1) Si calcola la percentuale di contingenza, per lo Stato e gli enti locali l'indennità integrativa speciale. Come è noto, mentre la contingenza entra nella determinazione della pensione, per l'Inps, l'indennità integrativa speciale entra, in ogni caso, al massimo del suo valore (S.M. 456, 2° comma).

(2) Per effetto del massimale retributivo esistente per l'Inps la retribuzione C si riduce all'1-1-1983 da L. 2.000.000 a L. 1.089.250 mensili (20,27 (000) : 12).

- (1) Table V: Comparison of Pension Income from the INPS, National and Local Governments as of 1 January 1983
(18 theoretical, simulated examples)
(by Bruno Bertona)
- (2) number of years of service or insurance
- (3) INPS general plan
- (4) national government plan
- (5) local governments and SSN [expansion unknown]
- (6) ratio
- (7) percent of pay
- (8) monthly retirement income in lire
- (9) percent IIS (IIS = special indemnity)
- (10) INPS national government
- (11) INPS local government
- (12) Case A: monthly income = 1 million lire
- (1) The three examples of income include unemployment benefits for the INPS and the special indemnity for national and local governments. As is known, unemployment is counted in the INPS pension percentagewise relative to years of service; the special indemnity is at its maximum value in every case (80 percent = 456, 272 lire monthly as of 1 January 1983).
- (13) Case B: monthly income = 1.5 million lire (see note (1) under (12) above)
- (14) Case C: monthly pay = 2 million lire (see note 1, under (12) above)
- (2) As an effect of the maximum income for the INPS, income in case C is reduced as of 1 January 1983 from 2 million lire to 1,689,250 lire monthly ($20,271,000 \div 12$)

8782

CSO: 3528/107

EFFORTS TO BOLSTER TRADE WITH LIBYA

Istanbul TERJUMAN in Turkish 4 May 83 p 5

[Text] The long-delayed meeting of the Turkish-Libyan Economic Affairs Commission is to take place in Ankara at the beginning of next week.

According to information provided by Ozer Olcmen who heads the Libyan Contractors Association, Libyan Secretary of Agrarian Reform and Land Reclamation Abu Zayd'Umar Durdah will be presiding over the Libyan delegation, while Turkish Minister of State Sermet Refik Pasin will lead the Turkish delegation. Apart from this, the new assignment to Ankara of Libya's Ambassador to Switzerland, Muhammad Abdulmelik, at this time when Libyan Chief of State Qadhafi's visit to Turkey is being discussed, is viewed by concerned circles as another positive step in efforts to boost trade relations with Libya.

The discussions of the Economic Commission, which are expected to begin on Monday, will reportedly focus on the problems of Turkish contractors and workers in Libya. Among the main problems that need to be resolved are: (1) Libya's failure to transfer payment to Turkey for overtime hours worked by Turkish workers; (2) delays involving contractors' letters of guarantee; (3) the current demand for contractors to pay customs fees and bank brokerage fees in lira rather than in dinar, which was formerly acceptable; (4) the 15 percent cuts being taken from contractors to cover estimated taxes.

Trade

Turkey is in the position of having signed a 1963 contract with Libya for 2 million tons of crude oil, plus an additional 2 million tons which was to be covered in part by Turkish exports and sums owed by Libya on delayed contracts. However, Libya currently has no pending debts to our exporters (except for disputed ones), and our contractors are reportedly working at

a fast pace. Besides this, Turkish sales to Libya last year dropped to \$234 million compared with \$441 million in 1981. The decline has continued in the first two months of this year, with Turkish exports to Libya totalling \$22 million for the January-February period compared with \$49 million for the same period last year.

It is a well-known fact that Turkey is not the only country that has experienced a decline in Libyan imports; all countries have. Trade and contracts between Turkey and Libya are expected to gain new momentum as a result of the upcoming meeting in Ankara.

12279

CSO: 3554/282

FOREIGN BANKS MUSTER CREDIT FOR TURKEY

Istanbul MILLIYET in Turkish 4 May 83 p 4

[Text] Twelve of the world's largest banks have a stake in the \$200 million medium-term 'prestige credit' for Turkey coordinated by Morgan Guaranty Bank. Technical details were wrapped up last Friday. This marks the first time that Turkey has turned to the international money market since the 1975-1976 period when it was unable to pay its debts.

A spokesman from Morgan Guaranty Bank made the following comment relative to the credit: "A look at the names of the contributing banks shows the extent to which Turkey's credibility in the market has increased." In actuality, the credit exceeds \$200 million, because more banks than necessary have asked to participate. The official proposal will be made to Turkey this week. The twelve banks will be busy in the days ahead trying to sell a portion of their shares in the credit to other smaller banks.

'Prestige Credit'

It is a well-known fact that Turkey had been unable to obtain any medium-term credit from the international money market ever since 1975 when it was black-listed by the banks. Turkey has been waiting until now for certain developments to occur, always preferring that the banks be thoroughly apprised of its economic situation. At the beginning of this year, it made its first attempt to approach the market, using Morgan Guaranty Bank as a go-between.

It took quite a long time to bring this \$200 million operation together because of the overall banking crisis and bankers' initial apprehensions about Turkey, but all obstacles were eventually overcome. New York bankers describe the whole operation as a 'show of prestige.'

This is a five-year credit with no payment required for three years. Interest is to be adjusted semi-annually to correspond with Eurodollar interest (i.e. the interest rate will float). These same conditions were part of the agreements made by Portugal, Sweden and Denmark when they borrowed from the same market a short while ago.

Earlier proposals by some banks, calling for Turkey to be given a new tranche every six months provided that it would pay off the previous tranche, were abandoned.

The significance of the credit lies in the fact that it is not credit to be used for trade purposes or for some easily found project; it is credit strictly for use in balance of payments and treasury reserves. Bankers are far more inclined to act upon this sort of credit.

The fact that \$200 million has been collected at a time when nobody wants to give credits abroad--and especially to a country like Turkey which is still a known risk--is considered by New York bankers to be 'an extremely positive development' for the crisis of the international banking system.

Turkey's Show of Force

Turning to the market for the first time, Turkey had asked the most prominent banks of the U.S., the Middle East and Europe to contribute to this credit. As the situation now stands, all but the European banks have responded well to the request made by the Central Bank of Turkey. Contributing banks are:

- U.S.: Citibank, Chase Manhattan, Manufacturer Bank, Bankers Trust, Irving Trust, Morgan Guaranty Bank;
- Middle East: Middle East Arab Banking Corporation, Gulf International Al Bank, National Bank of Kuwait;
- Europe: Barclays Bank, Union of Swiss Banks;
- Far East: Bank of Tokyo.

Bank circles point out that all of the contributing banks are top-notch banks. They find it interesting that this is the first time that the Bank of Tokyo has ever asked to participate in credit for Turkey, while the German banks, on the other hand, have been reluctant to participate at all.

If Turkey would like a German bank to participate as well, negotiations can be entered into with an interested German bank. As bank officials say, "Turkey would like to have a full show of force, and it believes that European banks should also participate." The reluctance of German banks is attributed to the fact that they are opposed in principle to contributing to credits to be used for balance of payment deficits.

One American banker deeply involved with this issue was asked by our correspondent, "Why \$200 million? Wouldn't it have been even more prestigious to come up with a bigger figure?" The banker's response was: "All of the banks know that the last thing Turkey needs today is to get into more debt. If Turkey had asked for a \$400 million credit, the banks would have felt that it was needlessly taking on a debt for show and paying interest for no reason. Since this would not have been considered good policy, the reaction would have been totally different. Turkey will be having a major need for this market in the years ahead. Until then, it should enter the market slowly by obtaining credits like the one being offered and it should build up its credibility for the future. This is exactly what it has done."

Bank circles say that the \$200 million credit is now entering its second stage, as the 12 banks endeavor to 'reduce their risk' by selling a portion of their shares to smaller banks. The official proposal will be made to Turkey this week and the credit could go into effect within the next few weeks, according to these same circles. They hasten to add, "Turkey will of course be making its decision, but it can be given some extra time if it really wants a German bank to participate as well."

12279

CSO: 3554/282

CREDIT EXPORT REGIME INITIATED WITH IRAQ

Istanbul TERCUMAN in Turkish 1 May 83 p 5

[Text] Ankara (TERCUMAN) -- Central Bank President Osman Siklar held a press conference yesterday at which he discussed developments in export credits, credit resources granted for exports to Iraq and emissions. Siklar held a reception for journalists afterwards.

Indicating that there was no question but that export credits would be supported, Siklar said, "We are fighting this battle. The Central Bank will continue to support export credits. Export rediscount credit is being allocated at the level of 5 billion liras a week." Noting that rediscount credit demands which were expected to be 50 billion liras in January had been reduced to 18 billion liras by 26 April, Siklar said that 1982 had an estimated rediscount credit of 215,524,000,000 liras to cover \$2.994 billion in export contracts on 2,488 applications.

Siklar continued:

"Our bank is not at present getting the credit demand expected in connection with seasonal costs for exports of fresh fruit and vegetable juice products.

"For the first time, an account has been opened at our bank in U.S. dollars on behalf of the Central Bank of Iraq. Our exporters will be paid for their exports through this account. A portion of our reserves, with the financing facilities provided the Central Bank of Iraq through this arrangement, have been set aside to prevent loss of the existing market. A similar arrangement with Syria soon is under consideration also.

"According to our agreement with the Central Bank of Iraq, when our exporters get requests from Iraqi importers for the purchase of goods on credit, they can accept the proposal without being bothered in any way about the credit aspects."

Emission Volume

Osman Siklar said in answer to a question that the emissions volume had risen to a rather significant level in the process of blocking funds, reaching 647 billion liras by 23 April.

Reception

Hosting a "filled pastry and cream-cake party" at the Central Bank restaurant afterwards, Siklar said during conversations with reporters that he had "no political intentions."

WORKER COMPANIES REMAIN IN DIRE FINANCIAL STRAITS

Istanbul TERCUMAN in Turkish 1 May 83 p 5

[Article by Nurten Bayraktar]

[Text] The investment enterprises initiated 20 years ago with the savings of workers employed abroad do not seem to have turned out so well. According to a report by the State Industry and Worker Investment Bank (DESIYAB), 167 of the 262 worker-owned firms that released their 1981 balance sheets went into the red. Total losses amounted to nearly 3 billion liras. The other 95 firms showed a combined profit of 6.8 billion liras.

The basic problem of the worker companies is recognized as not so much a matter of profit or loss, but of staying alive and keeping going.

How They Were Established

The first attempt was made in 1963 to set up worker-owned firms to combine the savings of workers employed abroad and convert them into production. Later in 1972, the "Ankara Agreement" was signed between the Turkish and German governments in support of the worker companies. The West German government made 45 million marks in credit available to these firms between 1976 and 1982 to encourage the repatriation of Turkish workers. Credit approved for this year is 7 million marks. These credits, drawn from the Turkish-German Fund administered by the People's Bank of Turkey, are reportedly allocated primarily to the successful firms.

Financing

DESIYAB reports that the total financing requirement for the worker companies, many of which are being squeezed by exchange-rate differences, is 93.8 billion liras. Of this amount, 39.9 billion liras are needed for the firms' fixed investment deficits, 27.5 billion liras for operating capital and 26.4 billion for repayment of debts. The companies owe more than 10 billion liras in back exchange-rate difference payments alone.

Only half of the 290 companies are operating. The others are not, owing to inability to complete investments, inability to balance capital or being up for sale. Our workers, meanwhile, are disillusioned. Workers have 1.5 billion marks invested in these companies. Up to 70 of these firms are succumbing to divestiture and lack of know-how. Some are changing hands.

KOYTAS [expansion unknown]: KOYTAS Textile Factory, built in Nazilli by Turks working abroad, failed to pay back 92 million liras in credit it obtained from the World Bank. DESIYAB then took over the factory, raised its 60-million liras capitalization to 500 million liras, buying the majority of the shares itself, and paid off the debts.

BANTAS: The starch factory of the Banaz Agricultural Industry, BANTAS for short, was set up in 1976 under the guidance of a German firm. The factory later ran into difficulties and had to halt production for the past 2 years. It was leased to an Ankara businessman last month and has started up again.

YURETUR [expansion unknown]: Turkey's largest worker-owned firm which had to halt production shortly after it went into operation in 1974 owing to lack of capital and bad investments, the firm was unable to pay the salaries and benefits of its 350 workers for 8 years. The firm, a mushroom grower and canner, is reportedly to resume production by stages after an 8-year interval. The firm, with 49 percent of its shares held by the Agriculture Bank, 30 percent by the Religious Trusts Bank and 21 percent by workers, has obtained credit to attempt a recovery.

FBI

NO: 3554/280

BURSA CHAMBER SEES NEED FOR ELECTRICITY IMPORT

Istanbul DUNYA in Turkish 16 May 83 p 3

[Text] BURSA (DUNYA) - The Bursa Chamber of Commerce and Industry asked that the electric power cuts which have been going on for some time in the Organized Industry Zone be either scheduled or that electricity imports be urgently resorted to so as to prevent delays in production and exports.

At the meeting in which members of the Bursa Chamber of Commerce and Industry, Bursa Mayor Zekai Gumusdis, officials of the TEK [Turkish Electric Power Enterprise] and industrialists participated, it was stated that unscheduled power cuts led to losses in production and a deterioration in quality and that this situation strained export ties to an undesirable degree.

President of the Executive Committee of the Organized Industry Zone Mustafa Pacaci who gave a talk at the meeting, pointed out that the competent authorities had been informed at the meeting held in Adapazar with officials of the TEK, that industry in Bursa could not endure power cuts of the order of 50 percent and he continued to the effect that "if the drought continues, officials stated that the cuts would last until 1984. A continuation of the cuts works against our industry."

Bursa Mayor Zekai Gumusdis, who took the floor later at the meeting, recalled that Turkey was faced this year with an unprecedented drought and a water problem and he said that, by lowering the level of pools, dams and underground water, the drought threatened industry as much as it did agriculture. Mayor Gumusdis said that electricity should be used very carefully and noted that it was likely the electric power distributed to the city might also be cut back.

Vice-President Munir Gencoglu, who made statements on behalf of the Chamber of Commerce and Industry, pointed out that the industry of Bursa, which played an important role in the nation's economy because of the nature of its production and both the domestic and foreign ties it had promoted, was vulnerable to power cuts and he added that the matter would be conveyed urgently to Ankara.

Secretary General of the Chamber of Commerce and Industry Ergun Kagitcibasi pointed out that two 150 megawatt substations had been added and that, accordingly, there was no voltage problem.

Industrialists who expressed their views on this subject said that because of power cuts they found themselves unable to meet their domestic and foreign obligations and could not make new export commitments, and also that "In Turkey such cuts are resorted to only in Bursa and the region of the Aegean. The fact that the TEK does not impose such cuts on other departments is a proof that it does not act with fairness. Sacrifices are expected from manufacturers only. Haphazard cuts without warning lead to losses in production and to a deterioration in quality. Furthermore, our machines also are damaged by those cuts. Because of this we no longer have the strength to struggle. Our problems must be relayed to Ankara and we must find our way to importing without delay electricity from Russia or Bulgaria."

12278

CSO: 3554/292

DDY STRESSES PORT FACILITY INVESTMENT

Istanbul DUNYA in Turkish 16 May 83 p 3

[Text] NEWSCENTER - Director General of the Turkish Republic State Railways Ender Cetinkaya stressed the fact that during the 4th 5-Year Plan period special importance was given to port investments and that credits obtained from domestic and international credit organizations were continuously used to equip ports with facilities.

Cetinkaya who pointed out that in accordance with founding law No 6186 6 ports were under the control of the State Railways, said the following about the work related to those ports:

"Special efforts are being made during the period of the 4th 5-Year Plan to make our ports function according to the standards of modern exploitation, in step with the national economy, international trade and the requirements of a developing maritime technology and to bring up their level to where it can meet future demands.

Cetinkaya also noted that, to ensure constant service from the modern and high performance equipment secured through both domestic and international financing sources, in all the ports care and maintenance workshops were completed and that, as regards main facilities, 68 new dockyards had been set up with services and equipment; he continued with the following information concerning his work:

"We have begun implementing the combined maritime-railroad carrier route project, developed with an eye to the speed and economy which characterize the transit traffic between the industrial countries of Western and Central Europe and the countries of the Middle East, and the completion of the ferry-boat terminal started in Mersin is planned for the second half of 1984. When this route is opened to traffic it will be possible to secure, from 800,000 to 1 million tons of transit freight which will be conveyed and in terms of 1981 prices, a profit of 5 billion Turkish Liras." Cetinkaya said that the Constanza-Samsun ferry-boat project was of equal magnitude and added that "the Samsun port ferry-boat terminal was going to be built by the Ministry of Public Works."

Cetinkaya continued as follows:

"The transitory delivery of the new docks for the Bandirma and Derince ports has been made and they have been put into service. The quays for route No 2 and the new ferry-boat, also commissioned by the Ministry of Public Works, which are being built in the Haydarpasa port will be completed in 1984."

Cetinkaya pointed out that through the projects and loan agreements signed by the government and the World Bank credits for the needs of 4 ports controlled by his organization as well as those of 10 other Turkish ports had been secured, and he said that in accordance with the clauses of the protocol signed in 1979 by the Maritime Bank and the DDY [State Railways] these organizations were securing all the necessary loading-unloading machinery and land equipment. Cetinkaya stated that the Maritime Bank effected the purchase of all maritime means of conveyance and noted that efforts were being made to complete the planned work on time.

12278

CSO: 3554/292

WALLOON REGIONAL ADMINISTRATION PROBLEMS RESOLVED

Brussels LE SOIR in French 18 Apr 83 p 2

[Article by G. Dt.: "After 2 Days of Difficult Labor, the Walloon Regional Administration Is Born"]

[Text] After 2 days of close discussions at the beautiful site of Chateau de La Hulpe, the six ministers of the Walloon regional executive finally reached an agreement, on Thursday evening.

Though the labor was difficult, the birth of the regional administration is very important. The partisan sensitivities and the personality conflicts did not prevent the Walloon executive from making--finally--the decisions that it had to make.

As its president Jean-Maurice Dehousse stressed on Friday, it was time. The regional civil servants had been "up in the air," without a structure to orient them, since the beginning of the year.

And, by way of example, Mr Dehousse said that his office had decided on 14 December to grant aid to a company, but that the current disorganization of the Walloon administration had caused so many delays that the money did not reach the firm until 11 March!

A Thousand Civil Servants

Regionalization has to be accompanied, of course, by a regional administration. A thousand civil servants of the central administration have already been transferred to the Walloon region, and 500 "volunteers" are to follow. But all this has been without a receiving structure. And the work of these civil servants was very difficult.

The preceding government had given the Walloon administration 21 points of establishment. Far too many to ensure the necessary coherence. On 25 April, all these scattered services will be concentrated in buildings on Frere Orban Square in Brussels, while awaiting "repatriation", as Mr Dehousse puts it, in Wallonia in 1985--probably in Namur, the site of the Walloon Regional Council.

But along with these geographical problems, there were problems of organization that the Walloon ministers had not managed to come to an understanding about for months.

No South American Armies

The first point of conflict was the cutting-up of the administrations. "We resisted the mirage of the South American armies that multiply their generals. We could have had one administration per minister, plus an administration for the budget and for personnel. But no!

The result: there will be four general departments:

- Development of the Territory and Housing;
- Local Authorities;
- Natural Resources, Water, Environment;
- Economy and Employment.

Alongside these four "big" administrations, directed by high-level civil servants (of grade 16), there will be four "administration directorates" directed by civil servants of lower rank (grade 15):

- General Affairs and Personnel;
- Budget and Finance;
- External Relations
- New Technologies and Energy

These administrations will thus work for several ministers at once. An example: the Employment and Economy administration will work both for Mr Wathelet, Mr Feaux and Mr Dehousse.

The second point of conflict that was settled at La Hulpe: the distribution of the functions of the three administration directors, a trio that supervises the whole of the Walloon administration.

Mr Quintin (PSC [Christian Social Party]) will oversee Development of the Territory and Housing and General Affairs and Personnel. Mr Horevoets (PS [Socialist Party]), for his part, will oversee the Local Authorities, New Technologies and Energy, Budget and Finance and Environment, Natural Resources and Water administrations. Finally, Mme Strauss (PRL [Party of Liberty and Reform]) will oversee the Economy and Employment and External Relations administrations.

Social Elections

The last point of conflict resolved: the composition of the trade-union advisory committee, whose opinion is necessary for setting up the administrative framework. As was normal, four posts were planned: two for the FGTB [General Federation of Labor of Belgium] and two for the CSC [Confederation of Christian Trade Unions]. This raised the ire of the liberal trade union. The Walloon region is going to ask the Minister of Interior for an exception and propose six members for the trade-union advisory committee: three CGSP [expansion unknown], two CCSP [expansion unknown] and one SLFP [expansion unknown] represen-

tatives. The Walloon region is also thinking of organizing social elections within its administration later.

The settling of these points makes it possible to set up the services. The question of who the minister responsible for the appointments will be has not been decided, though. Mr Dehousse claims that it is he exclusively. The other ministers, however, want to have a word to say about the appointments for their administrations.

Meeting in May

A second Walloon conclave is planned for the month of May. It should settle the future of the services of the Walloon Regional Development Company (SDRW), whose services would be taken over by the Walloon administration, and is also to take care of the regionalized parastate companies, such as the National Land Company.

The organization of these "pararegionals," as Mr Dehousse calls them, should not be based on that of the present parastate companies but should rather be integrated better into the administration. "Experience has shown that the national parastate companies have led to irresponsibility."

11267

CSO: 3619/65

NATO MISSILES, REAGAN FIGURE IN MAY DAY CP LEADERS' TALKS

Helsinki HELSINGIN SANOMAT in Finnish 3 May 83 p 13

[Article: "Communists, Who Have Passed into the Opposition: Nation Is Shifting to the Right"]

Text] Communist May Day speakers in different parts of the country felt that Finland's domestic and economic policies are becoming more conservative. According to the Communists, the SKDL [Finnish People's Democratic League] was shoved into the opposition at the end of last year so that a change in economic policy would be easier to bring about.

SKDL May Day speakers had to give their talks from the ranks of the opposition for the first time in many years. The last time the SKDL was outside the government was in 1976-1977 when there was a center party minority government in the country.

SKDL chairman Kalevi Kivisto spoke at the party's chief celebration on Senaatintori in Helsinki. According to Kivisto, the Finnish Rural Party and the other parties the government is composed of, the SDP [Social Democratic Party], the KEPU [Center Party] and the RKP [Swedish People's Party], are getting ready to eat their election promises in the government.

According to opposition leader Kivisto, during the government negotiations major social problems were completely subordinated to mere disputes over ministerial posts.

"The tax burden will not get any lighter with the new government; it will instead increase. Citizens' social security and pension protection do not even seem to be increasing to the extent stipulated by the laws would lead us to assume," Kivisto said.

Kivisto charged that they intend to cut funds for the services that maintain citizens' security and well-being by the billion and he believed that unemployment has been constantly growing.

The SKDL chairman estimated that the SKDL would probably join the opposition during the beginning of the election term.

"Under the circumstances we ourselves don't feel that we are very fit," Saarinen estimated. He felt that Prime Minister Kalevi Sorsa was overly optimistic when he estimated that the government that is being formed could last for the entire election term.

In Oulu SKP [Finnish Communist Party] chairman Jouko Kajanoja criticized Finland's foreign policy. Kajanoja first credited President Mauno Koivisto for his efforts, but added that "other forces from the capital sector and the apparatus that conducts foreign policy also influence foreign policy."

In Kajanoja's opinion, there is room for improvement in terms of how active and consistent Finland's peace policy is. "During the past few years efforts to misuse the emblem of neutrality have become more and more noticeable, so that they have actually led to the adoption of the opposite position as concern the forces of peace," Kajanoja said.

By way of example, Kajanoja referred to the UN vote in which Finland backed two NATO motions "against condemning the junta that bloodily rules El Salvador."

According to the SKP chairman, the loss of eight seats in Parliament has condemned the Communists to a mighty effort to achieve political and organizational reform. "With respect to this, the time for empty words is irrevocably over," Kajanoja said.

Reagan-Like Shift

Member of Parliament Seppo Toiviainen, one of the leading SKP Stalinist figures, said that we are right now getting ready to make a conservative Reagan-like shift, which will mean a drop in real wages and a cut in social security benefits.

Toiviainen demanded that the SKP not be permitted to identify itself with the formulation of national policy. As a lesson learned from the elections, Toiviainen felt that there is a great need for socialism in Finland.

Like other Communist speakers, Toiviainen condemned the negotiations over the government as intrigues in which attention was focused on the distribution of ministerial posts and petty politicking.

In Kotka Toiviainen's ideological partner, Stalinist strongman Taisto Sinisalo, demanded that Finland in plain language declare its opposition to new American missiles in Europe.

According to Sinisalo, Finland's national interests require us "to put an end to Finland's commitment to the cold war policy of Western military hawks."

"Tricks Won't Help"

In Harkjavalta SKP first secretary Arvo Aalto felt that the Communists passed into the opposition because "in our country the ground is being laid for the

implementation of a conservative economic policy which sympathizes even more than before with business firms and less with the needs of workers and white-collar workers."

"Descriptive of the eagerness with which the SKDL was shunted to the sidelines of the activities of our recent coalition partners is the fact that they did not even go to the trouble of making formal gestures to explain the political requirements for a government coalition between the Left and the Center," Aalto said.

The first secretary of the SKP was of the opinion that unemployment can and must be eliminated in our country, but that this will not succeed through tricks by the Vennamos, either father or son.

According to Aalto, to decisively reduce unemployment the number of working hours has to be radically shortened, retirement eased, training, days off and vacations increased and daily working hours shortened.

In Aalto's opinion, the nation's shift to conservatism threatens to extent its influence to an even broader segment of the society. "The very fact that the national government's readiness to assume the initiative in conducting a foreign policy aimed at peace and nurturing mutual relations between Finland and the Soviet Union is being relaxed will soon be evident in the lives of our people," Aalto said.

Saarinen Not Offended

In Kemi former SKP chairman Aarne Saarinen differed with Aalto on the government arrangement. According to Saarinen, the SKP is not offended over the fact that its former government coalition partners did not want the Communists to join in the formation of the new government.

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CCC: 3617/116

SORSA IN MAY ADDRESS: SKDL NOT FIT FOR CABINET SHARE

Helsinki HELSINGIN SANOMAT in Finnish 3 May 83 p 13

[Excerpt] This May Day the favorite topics in the addresses of Social Democrat leaders and parliamentary representatives were government negotiations, the dismal outlook for the national economy, unemployment, SDP [Social Democratic Party] boasting about the election results, an appraisal of the Finnish Rural Party (SRP), the new coalition partner, and the dishing out of advice to the Conservatives and Communists, who have remained in the opposition.

SDP chairman Kalevi Sorsa said at Mäntymäki in Helsinki that the Social Democrats' long-term coalition partner, the SKDL [Finnish People's Democratic League], is not now "fit to assume the responsibility of government." The SKDL suffered a severe election defeat and, according to Sorsa, it has shown itself to be incapable of even making internal decisions.

"It is significant that this party, which has so neglected its own backyard for that of the Left that it is now incapable of defending its meager interests from the government, has begun to attack the Social Democrats, who now have to assume that responsibility alone. If I may be permitted to offer a well-intended bit of advice, I would recommend that the SKDL concentrate on organizing its own ranks so that cooperation in the government would again also be made possible," Sorsa said.

He noted that the SDP won in the elections and that the election result gives the SDP "both the right and the obligation to strive to be responsible for the government."

"When negotiations over the government were in progress, the Conservative Party accused the SDP of seeking power. Let's admit that this is so, but what is involved is a desire for democracy, which we will achieve through parliamentary procedures. We also demand enough rights for ourselves so that we cannot be forced into the government as a moneyman or bondsman, which would turn the course of politics to the Right. If others want to and can form such a government, they have the right to do so and we will offer relevant opposition to such a government," Sorsa said.

Sorsa demanded that the growth of the national debt be stopped and that monetary reserves be accumulated for the next slump. That is why during the next

couple of years "quantitative reforms" will have to be limited to "the correction of some of the most pressing shortcomings."

Sorsa listed these as being the cessation of long-term unemployment and unemployment among young people, the correction of pension-reform defects and the absolutely necessary improvement of the situation of families with children.

"In 2 or 3 years the national economy will again be ready to sink into a new economic slump. When that happens, there has to be the means for recovery in the establishment," Sorsa said.

"Conservative Party Too Eager"

In Pori SDP vice chairman Veikko Helle dissected neighbor party affairs the way Sorsa does. Helle judged the reason for the Conservative Party's election defeat to be its overly eager attempts to get into the government, "which, strangely enough, have continued even after the elections, although the Conservative Party particularly wanted to ask the nation whether it wanted the Conservative Party to join the government."

According to Helle, the fact that the Communists were excluded from the government is attributable to the SKP's [Finnish Communist Party] internal situation and "the tactical maneuvering that brought the Communists down at the end of last year."

"The constant imposition of different conditions and thinking in terms of alibis not only runs down the government, but also the party that relies on such policies," Helle said.

In Helle's opinion, it is fitting that the SMP be given the opportunity to go ahead and participate in the government "as a party among parties" in a constructive reform effort. "At the latest, when next year's budget proposal is submitted, we'll see how long SMP resources have held out," Helle thought.

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CSO: 3617/116

PAPER DISCUSSES 'SURPRISES' IN SHAPE OF NEW GOVERNMENT

Helsinki HELSINGIN SANOMAT in Finnish 4 May 83 p 2

[Editorial]

[Text] The SDP [Social Democratic Party] was overwhelmingly successful in the allotment of ministerial posts in the best possible way, although not all of its objectives as such were realized. The SDP at any rate has obtained most of those ministerial posts considered to be most important.

In addition to that of prime minister, the SDP has possession of both interior minister posts, including the Environment Ministry, which is to begin functioning with the greatest expectations at the start of October. The SDP's share of the spoils also includes the posts of minister of education, minister of transportation, second minister of social affairs and health and both commerce and industry minister posts.

Acquiring the Commerce and Industry Ministry with a straight flush has given rise to the most surprise. Just why did the SDP want both posts and why were they given to it? Its chief objective was indeed this ministry, but why did the Center Party (KEPU) abandon everything, the foreign trade minister's post as well, whose importance is becoming more pronounced than before?

That minister is, for example, automatically vice chairman of the Finnish-Soviet Economic Commission and the transfer of the chairman's duties to the office-holding foreign affairs minister will, in accordance with Esko Rekola's proposal, merely be a matter of time.

The answer to the question as to why the KEPU abandoned the Commerce and Industry Ministry is, however, a simple one. The party had staked everything particularly on getting the foreign affairs minister's post for Paavo Vayrynen. First, it succeeded in getting it away from the RKP [Swedish People's Party]. After that the SDP saw its chance: The KEPU had to lose the second interior minister's post too as the price for the former post. It also gave up its posts in the Social Affairs and Health Ministry to the Social Democrats, to whom labor affairs were transferred. To boot, the KEPU had to unwillingly assume the defense minister's portfolio, the holder of which will probably be replaced, primarily at the desire of the president "as a result of statements issued in the middle of the night."

The formation of this government has been like drinking tar for the RKP. Not even at the outset did it react favorably to cooperating with the SMP [Finnish Rural Party] in the government. Furthermore, it wanted to hang onto the foreign affairs minister's portfolio tightly. Giving it up was approved by means of the decision to form a ministerial committee for communications policy, the chairmanship of which will go to the RKP. The RKP will also get the functions, now in the hands of the SDP, of the Nordic cooperation minister. The compensation is sufficient.

The distribution of ministerial posts did not go quite according to the wishes of the SMP either. Like the SDP, the SMP had set its cap for the Commerce and Industry Ministry, but it did not get it. It demanded the labor minister's portfolio primarily as a tactical move, but hoped that some other party would in the end take it. That is not, however, how things turned out. The SMP, which has promised to end unemployment in 6 months — a promise it will certainly have to considerably fudge on — gets the labor minister's portfolio.

It is precisely the SMP's participation that will produce the biggest change in the new government's public image. The party has now for the first time risen into the ranks of the government, where it will, moreover, get to be the element that tips the scale between the other nonsocialist parties and the SDP, which alone represents the Left. Especially for the KEPU, but also for the other coalition partners, it is an unpredictable risk factor, the effects of which will probably be visible as early as the initial phase of government business, but at the latest in late summer during the formulation of the budget proposal that will measure the lifespan of the government.

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CSO: 3617/116

PAPER VIEWS RELATIONS BETWEEN COMMUNISTS, LABOR MOVEMENT

Helsinki HELSINGIN SANOMAT in Finnish 10 Apr 82 p 2

[Editorial: "Signs of a Dead End Recognized"]

[Text] The labor movement does not wander about blindly in its idealistic environment. Rather, it carefully takes deep soundings of the signs of the times. For example the thorough evaluation by Leevi Lehto and Juhani Ruotsalo, young members of the SKP [Finnish Communist Party], of the need for a new kind of Communist Party (HELSINGIN SANOMAT 2 April 1983) contains interesting observations about recent developments in our society.

One starting point for the analysis is the open observation that even within the workers' movement stronger groups have succeeded at the expense of weaker ones. At the same time there has arisen new dissatisfaction, for example in minimum-wage fields. However, they no longer trusted the workers' movement, but chose the SMP [Finnish Rural Party] to represent them.

In this shift, the SKP and SKDL [Finnish People's Democratic Union] partners have managed to preserve their support for a surprisingly long time. As each side has approached problems from different directions and in different ways, emphasizing different aspects of the interests of the workers, the partners have been able to compensate temporarily for their loss in overall attractiveness.

At the same time the Communists' strong ties with their membership have been weakened for many reasons. Traditional organization does not work at a time when the nature of work, the labor market, and social groups are changing rapidly and continually. Activists at the largest work places do not speak the same language as the majority of the workers; professionalism may turn out to be a mistake.

On the other hand, as veteran chairman Aarne Saarinen has observed, the workers' movement has already achieved many of its important goals, or in other words Finland is nearly completely developed. At the same time, the use of the language of politics has become unified in an "awful way," according to the Communists. People have even dared to take the word "progressive" into general usage!

At the brink of intellectual bankruptcy, searchers for a new path are recommending Communism as a liberation movement--this term too has been chosen with an eye for the tradition of the Communist camp. They want to exploit in the future strivings for an opposition operating indefinitely, the need for change, and liberation. In other words all modern social movements qualify as future breeding grounds for revolution.

It is altogether another matter to what extent all alternative movements are ready to recognize the Communists' hoped-for common denominator. There will always be a need for freedom of movement to the extent that the SDP [Social Democratic Party] ceases finally to be a workers' party and changes to a general party, as Communist theorists are anticipating on their side.

Equally great is the problem how to direct their own entrenched cadres onto a new path. Attitudes that have become fixed by a long crisis, personality conflicts and the natural conservatism of all organizations are making the Communists' efforts to clean up the estate a hard nut to crack. There exists quite a refreshing body of examples of this. The thoughts of Lehto and Ruotsalo, for example, have already been compared in the Communist camp to the flight of a tiny cloud of "phrase revolution."

The Communist liberation movement in any case is announcing on paper its readiness for flexible and many-sided discussion and cooperation, without avoiding problems and differences of opinion. The old political system will surely not yield its positions to a new grouping without opposition. The other parties will also try to preserve their support in spite of upheavals in the real world.

9611

CSO: 3617/107

PAPER INTERPRETS GREENS' POLITICAL PROGRAM

Helsinki HELSINGIN SANOMAT in Finnish 10 Apr 83 p 2

[Editorial: "Greens' Program Seeks New Directions"]

[Text] The Greens' alternative movement, inspired by the results of the parliamentary election, is trying to get its voice heard more and more. Within its circles a new draft program has been prepared, which will be marketed under a demanding name: "A New Path for Finland's Development."

The basis for this kind of movement is found in our country as well as in other so-called "developed" countries. Industrial growth has nearly stopped, non-renewable resources are beginning to be exhausted, technology is displacing human labor, unemployment is increasing. On the other hand, the problems of a welfare society in industrial countries are rapidly increasing. Old economic theories and their applications do not work satisfactorily. Something new is needed; only that is clear.

The parties that have traditionally pointed the way to a policy of innovation have not kept up sufficiently with the wheels of development. The nation does not understand their obsolete ideologies nor the phrases in their revised programs. Just this has opened up room for movements based on one or several issues, even though in practice they have the outward signs of political parties.

What new things will the Green movement be able to offer in comparison with the traditional parties? The answer is to be sought first of all at home, because luckily this movement has avoided slipping into the same kind of fanaticism as the West German Green Party. Part of the answer is to be found in the small group's recently published program paper.

The first program attempt by the Greens aims expectedly at the so-called "softer society," which concept is, however, still unclarified. Ideas in support of this have been collected into a program, in which there are general ideas, mostly well known from publications. There is no use looking there for quick and generally acceptable improvements in conditions or contradiction-free guidelines for action.

The program paper is directed to a great extent at arousing discussion about other alternatives, even alternatives that now seem impossible. This paper has a great significance in principle to the parties. They will no doubt study it in detail and attempt to learn from it in order to restrain the still vague Green movement in its goals and conduct.

The definition of its own program will be good for the Greens themselves. It can increase the credibility of the movement by channeling into Parliament opinions that up to now have mostly been pursued by extra-parliamentary public demonstrations. The program will anchor the movement to some degree of realism instead of its continuing to act with its feet firmly in the air, as at present.

But making their own ideology precise will also increase pressure on the Greens to change from a free movement to an organized political party, adapting to the political arena. A new race in the party institution is beginning.

9611

CSO: 3617/107

DEVELOPMENT AID GRANTED TO ETHIOPIA, SUDAN

Helsinki HELSINGIN SANOMAT in Finnish 10 Apr 83 p 8

[Article: "Fertilizers to Ethiopia and Sudan"]

[Text] The Foreign Ministry on Friday granted a total of 25 million [markkas] in aid for development. Of the total, 20 million will be used to deliver urea fertilizer to Ethiopia and the Sudan.

To each country, 7500 million tons of fertilizer will be delivered. The countries are entirely dependent on import to obtain their urea fertilizers. The fertilizers will be sold by Kemira Oy.

Finland will direct three million markkas to the UN development program's special fund for least-developed countries and two million markkas to the energy account of the development program. Most of the funds in the account will be used to study alternative energy sources in poor underdeveloped countries.

9611

CSO: 3617/107

PAPANDREOU ATTEMPTS BALANCE BETWEEN TECHNOCRATS, HARDLINERS

Athens EPIKAIRA in Greek No 768, 21 Apr 83 pp 16-18

[Excerpts] Both friends and foes agree that as the spring moves on--the second spring of the "Change"--the clouds become increasingly darker on the economic horizon. Not only the government's opponents but also its followers--and of course all the independents--now see clearly that the "narrow passage" (which was behind us last year) continues without a visible way out and that the unstable, constantly declining and, in any event, accidental equilibrium is likely to be soon and that the situation may get out of control.

Five elements characterize--according to the economic observers--the critical level of the situation and the prospects of the impasse.

1. The continuing inactivity in the sector of investment and the failure of all legislation, measures and appeals (or ultimatums) of the government, which continues even now when there seems to be a recovery in the western countries. After 18 months in power the governing party failed to produce even a preliminary draft for an economic program.
2. The inflation which registered the largest increase of the last 9 years in March continues at an annual rate of 23 percent while the government continues to claim that it will cut it down eventually to 20 percent.
3. Unemployment is reaching explosive levels--especially among the young--and threatens not only the living standard and the achievements of the people but also the country's social structures and political order. (One thousand girls competed last week for only eight positions in ERT-Radio TV Network.)

Government Does Not Publish Data

The balance of payments (i.e., the sufficiency of foreign exchange for payments abroad) appears to be at a disappointing level. The government does not make public last year's data although the end of the quarter is past and we are left with the picture of last December which was beautified by the government which spent--without replacing--oil reserves valued at 500 million dollars and which received approximately 600 million dollars from EEC (which the government castigated until yesterday as the next of the

monopolies). Moreover, it is generally believed--especially among diplomatic circles--that a new devaluation of the drachma will become inevitable in the summer or in the fall.

5. The slowing rate of bank deposits, finally, which is one more indication of the declining confidence in the drachma, threatens to leave the enterprises without the indispensable operating capital resources, not for development but even for continuing the current production since most of the new deposits are absorbed by the large and constantly increasing government deficits.

In the face of this accumulation of difficult problems, the government appears uncertain, disunited, undecided. The technocrat economic ministers (Arsenis, Koulourianos, Siritis, Vaitzos, Varfis) appear to be worried and conscious of the dangers, trying to convince the leadership which is inspired by other more "public relations-oriented" priorities.

Another wing--identified by Ministers to the Premier Koutsogiorgas, Public Works Tsokhatzopoulos, Alternate Minister of National Economy Pottakis, Minister of Zoning and Environment Tritsis, certain members of PASOK's hardline Executive Bureau and several deputy ministers--recommends (and in part implements) a policy of confrontation speaking constantly about "the guilt of the Right" and threatening all "suspect critics." The group of hardliners hopes in this way to quiet temporarily the public indignation, to broaden the margin of tolerance on the part of KKE which lies in ambush and to gain time with the hope that "the situation will improve."

Uncertain

The premier and his closest associates seem to be uncertain between the two groups and do not take a position. Apparently they follow a tactic of pacification and postponement, avoiding the urgency of the burning problems, preferring instead the personal publicity in other sectors such as the issues of foreign policy.

In any event, the premier does not allow one wing to eliminate the other, although at times he intervenes on the side of the "realists." According to a report, the premier sided with the "realists" in the discussion concerning the EEC, when the discussion came to a critical point with the "hardliners" trying to push our disagreements with the EEC to the point of rupture. It is said that Varfis who is in charge of EEC questions was forced at one point to invoke the support of the president of the republic in order to overcome the opposition of the hardliners.

KKE Is Unhappy

KKE, pressed by the workers who are having a difficult time with the current confusion and the escalation of prices, is attempting some criticism of the government's economic policies. At the same time, as the government begins to clarify its position on the question of the EEC and on the bases, KKE, possibly at the instigation of foreign factors, presses in some way to limit the Greek "concessions" to the West.

With articles in its newspapers, KKE spreads rumors about the expansion of NATO and American installations in our country--in spite of categorical denials by the government. It ridicules the timetable for the removal of the bases with harsh political comments and cartoons and it has started to needle the government in the provinces.

But as soon as the government's official spokesman and PASOK's propaganda machine start to accuse KKE that its "policy benefits the Right" it turns around and resumes its attacks against the ND and the...foreign agents, etc.

All observers agree that the "line of tolerance" toward PASOK, which was established in the international centers of the "existing socialism" (USSR), is still in effect and KKE acts as an opposition only to the extent allowed by these guidelines.

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CSO: 3521/292

PRO-PASOK DAILY CRITICIZES GOVERNMENT HANDLING

Athens TA NEA in Greek 20 Apr 83 p 4

[Article by Nikiforos Andonopoulos]

[Excerpt] With many evident problems and many unresolved issues, the government is about to enter the crucial second half of 1983. Especially since during that period Greece will hold the chairmanship of the EEC--which will absorb a large part of the government's work--it is becoming evident that the success of the governmental activities in general will depend to a large extent on the successful handling of all the pending issues.

We do not refer only to the unresolved foregoing problems whose resolution will certainly affect the political climate and the domestic developments. We refer, mainly, to the unresolved issues which exist in the domestic front and whose continuation shapes a certain climate in the public opinion which, of course, expects the government to open roads in those sectors where the Right's long domination has left its seal and blocks any developments.

Negative Activities and Signs

Although there is no doubt that at this moment various governmental sectors have started producing, there are also signs of listlessness which causes difficulties in the overall functioning of the governmental mechanism. If this disfunctioning is not combatted in time it will become a permanent feature whose correction will become even more difficult later. Even more so when the counterattack launched by the Right is intensified and will certainly climax in the next few months. In fact, the leading and guiding ND circles have embarked on a desperate propaganda campaign against the government using in this effort every kind of "reserve"--as one can see by following the unbelievable fables being daily published in rightist newspapers and which are directed personally against cabinet members.

All-Front Attack

This is an all-front attack on all sectors aiming not only at the overall decay of the government but the personal undermining of leading cadres of the government and PASOK and, of course, the disorientation of the government and the creation of a climate of confusion and mistrust in the public opinion.

It is known that the task of attacking cabinet members personally has been assumed by a veteran journalist of the ND who directs the publication of stories in the newspapers of the Right.

The government has shown certain weaknesses in dealing with this campaign. Of course, it is not easy to defend one's self successfully against slander, distortion and lies which in an unbelievable manner are stated and published daily in all the press of the Right by named and unnamed propagandists of the ND and their reserves. In any event, propaganda is a one-way street and leaves no room for political dialogue and argumentation.

Nevertheless, the problem facing the government is still there and becomes even more evident in the way the government dealt with events such as the assassination of Athanasiadis and the explosions in Didimoteicho.

It Seemed to be Surprised

In any event, the success of the governmental work will be assessed where the government is being tested daily by the citizenry--in the public administration, the agencies, the hospitals, the clinics, the windows of the Public Treasury, the behavior of high level and low-middle level cadres, the credibility of the mass media.

Already the premier and the cabinet have reached their decisions and they are ready to move forward with a very broad renewal of cadres in the administration and in the agencies.

We do not know, of course, the extent of the renewal nor if the persons to be selected will have better chances for success than their predecessors. The experience of the last 18 months, for example, has shown that party affiliation is not always a condition for success, especially since many rushed to "catch the train" after it was already underway.

Main Burden of the Effort

Beyond the persons, however, the main burden for the success or failure of the effort is borne by the government. The framework the government has created is not enough to break the barriers existing between the citizen and the bureaucracy.

It is necessary, above all, to transform into action the premier's promise for the "constant revolution" where both the structures and the persons continue to raise their resistance. This resistance, of course, is encouraged by the attack waged by the Right which still believes that it has not been pushed to the sidelines.

DIFFICULTIES REPORTED WITHIN ND ON LEADERSHIP ISSUE

Athens TA NEA in Greek 20 Apr 83 p 1

[Text] The question of leadership is again being raised in the New Democracy as "aspirants" and other out-of-parliament personalities of the Right move to find a solution "after Averof." Regardless of the time these initiatives will come out into the open, among the "aspirants" there seems to be general agreement that Averof is only a "temporary leader."

Two alternatives are currently developing behind the scenes around the solution of this problem:

- a. The first alternative favored by a large number of deputies and cadres of the ND Parliamentary Group is to find a leader who will guarantee the unity of the party.
- b. The second alternative favored by 10 to 15 deputies of the "radical liberal" climate is to select a leader to express the center-right.

Four Factions

But if there are two "trends" with regard to the party's "ideological line" there are many suitors who aspire to appear as "renovators" and to claim the leadership. Four factions with an equal number of "aspirants" are moving within and outside the party to secure parliamentary and non-parliamentary supports. The first is led by K. Mitsotakis. The second is trying to impose K. Stefanopoulos. The third supports Boutos who appears as moderate, while the fourth is shifting toward the "constellation" of former premier G. Rallis.

Up to this moment, none of the four factions has secured a majority in the Parliamentary Group and therefore none can safeguard the unity of the party which is the prerequisite for /a Karamanlis/ blessing. On the other hand, Averof who knows these moves to undermine his position in the party does not seem to be inclined--nor to dare--to take at this moment steps that could provoke unrest and the eventual split /of the party/. The Rallis book, the Mitsotakis moves, certain initiative by Boutos who at times engages in activities which go beyond the context of the "instructions of the leadership" have caused acute reactions within the party so that any other initiative may lead to an open confrontation between Averof and the "aspirants."

A Matter of Time

In any event the disagreements and the open feud on ideological, organizational and economic matters of the party have reached a point beyond control. Under these conditions, it is certain that a crisis within the New Democracy is a matter of time. Nothing rules out the outbreak of a sudden "mutiny" resulting in the breakup of the party, which, although disliked even as a thought by paragon of the Right, appears to be almost inevitable.

"Without Averof"

Characteristic of the climate that prevails in the New Democracy is the open undermining of Averof by certain party cadres who accuse him publicly of lacking leadership qualities, of inability to conduct an "irreconcilable struggle" and in any event, of his inability to lead the party to the election with some hope of success.

"We are not going to the election with Averof as the leader" is the slogan lately voiced by a leading personality of the party and which appears to be gaining ground within the party.

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CSO: 3521/292

POLITICIANS' FILES ON NATIONAL SECURITY TRANSFERRED TO YPEA

Athens I KATHIMERINI in Greek 18 May 83 pp 1, 3

[Text] All the files of political leaders--ministers, deputies, Euro-deputies, secretaries general of ministries, bank governors and directors of State organizations--which contain national security data are being removed from the Subdirectorates for Security and will be transferred to the National Security Service (YPEA). The remaining data in the files that are not related to matters of national security will remain, as before, under the jurisdiction of the police services.

The above was part of a secret document, number 3000)1--107478, of the Ministry of Public Order, which was signed by order of Mr. I. Skoularikis by the secretary general, Mr. P. Anagnostopoulos. The document, which was introduced in the Chamber of Deputies by Mr. An. Mbalkos, states the following:

The Contents of the Secret Document

"It is requested that, under the care and responsibility of the Chiefs of the Subdirectorates of Security and the Commanders of Gendarmerie Commands, all individual files containing national security data for the individuals listed below be removed from their Staff files and subordinate Services (Security Branches, Security Sections, Sub-Commands of Gendarmerie, Police Prefectures, Police Stations and Police Posts) and be transferred to the YPEA (Directorate III--1st Section):

- a. Ministers and Deputy Ministers
- b. Deputies and Euro-deputies
- c. Secretaries General of Ministries
- d. Bank Governors and Directors of State Organizations

These files are to be transferred by the Subdirectorates of Security and Gendarmerie Commands, after they have been reviewed, in order to be consolidated into a single folder out of several that may have perhaps been kept in different independent services and involve the same individual.

Similar files, which are perhaps kept in the Staff offices of the same...

...Commands and Police Directorates, should be removed and transferred to us by them.

...regarding the above-mentioned individuals which do not involve matters of national security should be separated and will continue to be kept in the files of the responsible services.

In order to facilitate your task, we are forwarding the attached:

For your convenience, attached please find name lists, by category (a list of 110 names from the above-mentioned categories is attached to the document).

The Inquiry of Mr. Mbalkos

The "N.D." deputy, Mr. Anas. Mbalkos, using this document as evidence, submitted an inquiry to the Chamber of Deputies in which he emphasized that when PASOK was in the opposition, it demanded the destruction of the "files," he then accused the government of the fact that "with the centralization of the files at the YPED, it uses a more scientific method to maintain centralized files" for the purpose of:

...to ensure that no leaks of derogatory data about PASOK leaders take place (for example, the collaboration of its cadres or its assistants with the Junta);

...making possible a better comparison of data that may be derogatory for political opponents of PASOK;

Using these data for the purpose of gaining political advantages for PASOK.

Mr. Mbalkos--who had been Minister of Public Order in the "N.D." administration and who evidently knows the contents of many files--reaches this conclusion in his inquiry:

Naturally, with the artful text of the above-mentioned order, an effort is being made to disguise the purpose of the centralization of the files. The text, however, that no mention is made in the order to gather the files for their destruction is evident. On the other hand, it is amazing that PASOK, with the gathering of the files, is making a successful attempt to create a central information file in the Ministry of Public Order even to the detriment of the members of the government, PASOK deputies, governors, chairmen and directors of agencies, etc."

Mr. Skoularikis' Statements

Mr. Mbalkos is unduly worried about the future of the files which were set up, as is known, and were used to the fullest extent by the governments of the Right. As Mr. Mbalkos may know, the services kept files on every political leader at several locations. The Ministry of Public Order, in order to prevent any leaks of these data, against the will of those involved, has decided to concentrate all political files at the YPEA until a decision is made as to their future. We once more state that there are no files kept for political reasons nor are their data used because, according to the directives of the Constitution, the citizens are free to engage in political activities."

ARSENIS-VARFIS DISAGREEMENT ON EEC MEMORANDUM

Varfis Resignation Offer

Athens I KATHIMERINI in Greek 12 May 83 p 1

(Text) The future tactics to be used during the talks on the Greek memorandum to the EEC and the development of a unified government policy on this matter constitute, according to press reports, the subject of today's joint meeting of the Government Council [KYSYM] and the Government Council on Foreign Policy and Defense [KYSEA]. More specifically, according to the same reports, the clarification of the second subject is believed to be absolutely indispensable because the long-existing difference of opinion between the Minister of National Economy, Mr. Ger. Arsenis, and Deputy Foreign Minister, Mr. Gr. Varfis, in charge of EEC matters, has assumed such proportions lately that it led the latter to submit his resignation in a letter he delivered to the premier during Holy Week in which he listed the various points of dissent.

Mr. Papantoniou--who had, during the entire previous instance, supported the "Varfis policy"--did not accept the resignation of the deputy minister, on the contrary, he suggested that he go to Paris--where Mr. Arsenis would also go--to talk with Community officials and to participate with Foreign Minister Kharalambopoulos in the consultations of Greek diplomatic representatives in EEC countries to coordinate their actions and the memorandum, as well as the continuing Greek succession to the chairmanship.

The difference of views between Messrs. Arsenis and Varfis is substantial because:

While the Minister of National Economy himself is in favor of the most advanced negotiating positions which are believed to be: a) outside the general context as is delineated in the suggestion of the European Committee; b) would prolong the talks--and, as a result, the uncertainty about the relations of Greece with the Community--rendering their final outcome uncertain.

The Deputy Minister of Foreign Affairs supports the completion of the talks within the framework of the Committee's suggestions and the answer of the Greek government in a "Community spirit" and in the shortest possible time, believing that this more fully ensures the interests of the country in the long run.

More specifically, the Arsenis view--which, it must be pointed out, is not geared towards the Community agencies, but towards government and party ones--sets itself in favor of the broadening of the protectionist measures of Greek industrial products with the preservation of their competitiveness against those imported from countries of the Community.

The Varfis view, on the contrary, maintains that the need for protecting the competitiveness of Greek products has de facto recognition by the Community and a round of contacts with Community officials has already begun with officials of the Ministry of Finance for the study of the underlying situation in view of the integration of our tax system with that of the Community with the introduction of the excise tax. An eventual extension of the protectionist measures would mean more or less the repositioning of Greek interests with regard to the suggestion of the EEC.

Today's Meeting

Today's joint meeting of the KYSYM and the KYSEA will take place at the Maximou Mansion at 7 p.m.; it is expected that it will reflect the views of Deputy Foreign Minister Varfis in the unified government policy.

However, it is considered certain that the meeting will also address the matter of increased responsibilities--which are extended into the economic area--with which the Ministry of Foreign Relations must become involved in order to represent the country and the entire Community during the time Greece has the chairmanship (second half of 1983).

On the other hand, the additional role of the Ministry of Foreign Relations is reflected in the initiative of the premier to call a joint meeting of the two highest governmental agencies while the subject of the memorandum falls within the exclusive jurisdiction of the KYSYM.

Today's meeting will be chaired by the premier and will be attended by the Minister to the Premier, Mr. Koutsogiorgas (he is a member of both agencies), and the KYSYM members, Ministers: of National Economy, Mr. Arsenis; Interior, Mr. Karamitras; Finance, Mr. Koulourianos; and Public Works, Mr. Tsokhatzopoulos; the KYSEA members, Ministers: of Foreign Affairs, Mr. Kharalambopoulos, and Public Order, Mr. Skoularikis; and Deputy Ministers: of Foreign Affairs, Messrs. Varfis and Kapsis; and National Defense, Messrs. Drosogiannis and Kiriakides.

Yesterday's KYSEA Meeting

The Government Council on Foreign Affairs and Defense met yesterday until midnight under the chairmanship of the premier, Mr. A. Papandreou, for the purpose of formulating Greece's final conditions to be included in the text of the political framework of the Greek-American agreement. Yesterday's long meeting indicates the Council's determination, in view of the fact that the formulation of the final Greek conditions and the decision-making on certain other pending matters in the negotiations to date, will be the subject of discussions next Monday between Messrs. Kapsis and Bartholomew for the purpose of preparing a mutually acceptable text for the political framework of the agreement on the bases.

The Chief of the Air Force, Lt. General N. Kouris, did not attend yesterday's meeting, a fact which led to conjectures that the subject of the purchase of F-16 American aircraft was not discussed.

On the contrary, the KYSEA meeting, which was shrouded in extreme secrecy, was to make a definitive decision for inclusion in the political framework of the need, on the one hand, to keep the 7 to 10 ratio (even if mentioned indirectly, allowing a broader interpretation of the formula for the balance of power) and, on the other hand, the need for a termination date in the agreement. After its expiration, there will be an option to renegotiate--and not a definitive closing down of the bases--as long as both sides deem it advantageous.

However, according to reports, yesterday's KYSEA meeting, with the decisions it was to make, would have put an end to the differences existing between the Minister to the Premier, Mr. M. Koutsogiorgas, and the Deputy Foreign Minister, Mr. I. Kapsis, who is reported to have presented to the other KYSEA members an "embellished" version of the development as well as the contents of the negotiations to date in order to make the role of the Greek negotiator appear particularly successful.

Papandreou Statement

Athens I KATHIMERINI in Greek 13 May 83 pp 1, 3

[Text] The government chose the method of the "confirmatory denial"--this time by the premier himself--in order to take the edge off of the impression created by the difference of opinion between the minister of national economy and the deputy foreign minister responsible for EEC matters on the policy the government should follow on the subject of the Greek memorandum. The premier stated yesterday that the minister of national economy is responsible for economic policy, that it is, therefore, absurd to have "two voices or many voices" in the government and that the report on the matter by KATHIMERINI is "totally inaccurate."

The premier's statement, according to the views of political observers, causes a ripple effect, both with regard to the substance of the matter and the advisability of the function of the collective agencies of the government, which--despite the explanations on the subject by the government's spokesman--appear, in actuality, to assume an advisory role in violation of the law in the charter, which assigns them decision-making responsibilities.

Mr. Papandreou's Statement

Specifically, the statement of the premier, Mr. Andr. Papandreou, is as follows:

"The economic policy of the government in all areas, without exception and including matters involving the EEC, is expressed by the Minister of National Economy, Mr. Gerasimos Arsenis.

"Therefore, neither two voices nor many voices are conceivable in the formulation and implementation of a unified economic policy of the government. What

was reported in the press with regard to the so-called dissension within the government is totally inaccurate."

The Substance of the Matter

With regard to the substance of the matter, it was observed that the denial by the premier is not at all convincing because this dissension had both existed for a long time and was also widely known in the governmental agencies involved, in Athens as well as in Brussels. As is also known, Mr. Varfis' reaction, even two months ago, was expressed by his announced intention to resign as a result of the different position taken by Mr. Arsenis on the subject of the talks for the memorandum.

Consequently, the implicit framing of Mr. Papandreou's statement can only be interpreted as an endorsement of Mr. Varfis' views because, had the opposite been the case, the deputy foreign minister would have already found himself out of the government. The satisfaction given to Mr. Arsenis, who appears to have retreated in the end, can also be interpreted in the same manner.

On the other hand, it was observed that while the premier's statement categorically denied the fact that there is dissension between Messrs. Arsenis and Varfis as well as the need of a definition of a unified governmental policy on the subject of the memorandum, he, nevertheless, avoided defining this policy.

With regard to this matter, it is emphasized that political (party) leaders of the country had proclaimed the need to define, as soon as possible, the country's relations with the EEC--a view supported by Mr. Varfis--especially in view of the forthcoming broadening of the Community. It is pointed out by these same leaders that not only must the relations between Greece and the EEC be defined soon, but the government itself should avoid any specific interpretation of "special relationship" and any lengthening of the transitional period. This, because the seeking of a special relationship for Greece could perhaps set a precedent in view of the incorporation of Spain and Portugal in the near future and, possibly, of Turkey later on, a precedent which, in the long-run, would turn against Greek interests.

Collective Agencies

With regard to the function of the collective agencies of the government, and more specifically of the KYSYM, the conversation that the government spokesman had with the political reporters on the occasion of the premier's statement proved to be very revealing.

The government spokesman, Mr. Maroudas, in reply to a question as to whether the government's statement means that there is no difference of opinion between Messrs. Arsenis and Varfis, repeated Mr. Papandreou's statement and added:

"The unified economic policy of the government is expressed by the Minister of National Economy, Mr. Arsenis, and is implemented by the responsible ministers."

There followed a series of questions regarding the procedural methods of the KYSYM with its responsibility to make decisions for formulating economic policy and how the difference of opinion can be reconciled. The government spokesman stated that the eventual differences of opinion between the ministers will be brought up for discussion at the KYSYM. Once the government policy has been formulated, there are no opposing views. He added, however, that the responsibility for formulating the policy is Mr. Arsenis' as chairman of the KYSYM, based on the result of the discussions. He said in this regard:

"The KYSYM is an economic staff agency chaired by the Minister of National Economy, Mr. Gerasimos Arsenis. At its meeting opinions are formulated and proposals are made on economic policy by the responsible ministers. The result of these ideas and proposals is expressed by Mr. Arsenis, who is responsible both for the formulation and implementation of the unified government economic policy."

It is noted that this statement is in direct contradiction to the law establishing the KYSYM, which states:

First, it establishes that the chairman is the premier and that, depending on the matter under consideration, it can meet under the chairmanship either of the Minister of National Economy or the Minister to the Premier.

Second, with regard to the responsibilities of the KYSYM as a collective agency and those of the members of the government, it literally directs that:

"The Government Council make decisions on every subject of general or great economic importance, it take the measures necessary for the implementation of the government's program and follow, oversee and coordinate the implementation by the responsible ministers."

After many questions, the government spokesman stated that the KYSYM is a decision-making agency and not an advisory one. He also stated that the premier's circular--announced by the premier when he admitted the poor performance of the government--will be published this week.

Additionally, Mr. Maroudas, in replyin; to a question about who will represent the country in the EEC on economic matters, stated, "The Ministry of National Economy is entirely responsible and the Ministry of Foreign Affairs implements the directives within the EEC."

The joint meeting of the KYSEA and the KYSYM, chaired by the premier, discussing the Greek memorandum to the EEC and the preparedness of the country to assume the Chairmanship of the Community, was still in session until late last night.

TURKISH AIRSPACE VIOLATIONS SEEN CAREFULLY CHOSEN

Not Violations But Infringements

Athens I KATHIMERINI in Greek 14 May 83 p 1

[Text] Until yesterday evening, Ankara had not replied to the strong Greek protest for the violations day before yesterday of airspace above the Eastern Aegean. In any event, as was officially announced, Greece does not consider the violations to be so serious as to affect the Greek-Turkish dialog. In addition, yesterday, deputy minister of National Defense, Mr. Drosogiannis, emphasized that the flights of Turkish aircraft constituted infringements and not violations.

The interpretations given in Athens concerning the violations by Turkey are contradictory. One view considers them to have been made in the context of the national air defense exercise which takes place every year in that area of the Aegean and whose aim it is to respond in the case of a hypothetical attack by Greece. The other considers them a deliberate response to the decision of the American Congress for keeping the balance of forces in the Aegean at a 7 to 10 ratio.

In any event, it is emphasized that the violations "have been carried out carefully in locations that had been chosen previously." Immediately after the violations were verified, the Turkish aircraft were identified and challenged by the Greeks.

On the other hand, according to reliable press information, there was a violation of Greek airspace by Turkish aircraft on at least one occasion, day before yesterday, when they approached Mykonos. However, deputy minister of National Defense, Mr. And. Drosogiannis, stated that there was no violation of our airspace but only infringement by Turkish aircraft, which were challenged--in all cases--by fighter aircraft of our Air Force. These infringements by Turkish aircraft of the Phantom and F-104 types, consisted of their entry into the Athens FIR [Flight Information Region] without having previously submitted a flight plan.

According to unofficial but reliable sources which were previously mentioned, the Turkish aircraft flew between 5 and 7 nautical miles [inside Greek airspace].

According to the Ministry of National Defense, however, the violations of the Athens FIR took place during the yearly air defense exercise of the Turkish Air Force, which had been initially planned for 3 May. It was, however, postponed until 12 May because the date for holding talks between the foreign ministers of Greece and Turkey, Messrs. Kharalambopoulos and Turkmen, had already been set.

According to the plan of the exercise, the Turkish military aircraft, after their entry into the Athens FIR, head back to their own airspace and, at the same time from all the airfields of Turkey, fighter aircraft take off to challenge the returning aircraft which, by now, have entered Turkish space.

They Were Opposing a Greek "Attack"

The conclusion, according to the plans of the exercise, is that its objective was the repelling of an eventual aerial attack by Greece.

The formations of the Turkish aircraft, which entered the Athens FIR on two different instances, were a total of 12 and not 10. During the first instance, at 6:30 am, five formations entered and during the second, at 12:30 pm seven formations entered.

The Deputy Minister of National Defense, Mr. Drosogiannis, was in Kastellorizo when the violations took place. Afterwards he went to Symi. All his movements were reported repeatedly by Program III of the Turkish Radio. Mr. Drosogiannis refused to comment on the conjecture about the coincidence of his movements in Dodekanisa with the Turkish violations which are, after all, common-place because the Turks never submit flight plans. The difference--according to the National Defense Ministry-- is that now the violations were massive and were made in a provocative manner.

Dialogue Must Continue

Athens I KATHIMERINI in Greek 14 May 83 p 7

[Text] Day before yesterday's massive violations of Greek airspace by Turkish Air Force aircraft are neither the first nor the only ones.

They have taken on the look of a steady, periodical phenomenon. Usually they take place when there are, either under development or under negotiation, matters which go back to Cyprus or to the balance of forces in the Aegean or in times of detente and moratoriums in Greek-Turkish relations. Of detente, which they come to interrupt and substitute with a sudden escalation of tension (in order to turn later to a new period of detente as a preparatory stage for the resumption of the Greek-Turkish dialog, and so on), as if they were aiming to remind one of the existence and immutability of the Turkish designs and claims on Greek territory.

In the case in question, as in those which preceded it, these questions arise:

What is Turkey's purpose for new provocations and the escalation of tensions?

Why were this particular time and the present circumstances chosen?

Is the provocative action perhaps related to the recourse of Cyprus to the UN or to the Greek demand for a balance of forces in the Aegean, which is formulated in the organic sequence of the Greek-American agreement under negotiation for the foreign bases in our country?

Beyond whatever answer there is to these questions and whatever the coincidental reasons for the latest and similar previous Turkish provocations may be, the steady and basic cause of the sporadic violations of Greek territory (usually airspace) is the indication, actually verbally expressed, of the Turkish designs and demands on this territory.

These designs, beyond the changes of tension and detente in the relations of the two countries dictated by circumstances and dialog between them which takes place at intervals, are some of the principal and organic elements of the entire network of the "national goals" and national policy of Turkey.

Consequently, it is not a matter of circumstances and there is no chance that they will end overnight. They became possible thanks to a determined correlation whose fundamental element is the position of those strong factors of the international arena upon which Turkey depends, or of which she is afraid and, in any event, takes into consideration.

As long as this correlation of forces does not change and as long as the factors we mentioned--which could demand and obtain the cessation of the designs and intentions of Ankara on Greek territory--do not move in that direction, there is no possibility that Turkey will change or halt these designs as she has actively demonstrated at intervals with violations, etc.

We have repeatedly emphasized that the crisis will be long-lasting and that we must learn to live with it, saving our forces and cultivating our international supports until the framework of factors that created the crisis has changed.

Until then, the Greek-Turkish dialog, whatever the provocation, can and must be sought and carried out. It is useful either way, at least because it keeps the tensions down or the controversy "on this side" of the flash point.

9731

CSO: 3521/310

CONSERVATIVE PARTY LEADER ADELSONN SEES 'CONSERVATIVE WAVE'

Stockholm DAGENS NYHETER in Swedish 24 Apr 84 p 6

/Article by Dick Ljungberg" "I Feel a Conservative Wave Coming"/

/Text/ It is not hard to feel the familiar conservative wave when one is facing an assembly of Moderates in Stockholm, Ulf Adelsonn said on Saturday in a new "talk on freedom." More than 33 percent of the citizens of Stockholm vote the Moderate ticket, and today's IMU figures show that the party is approaching this percentage at the national level as well.

There was standing room only in the auditorium of Aso's high school in Soder when Adelsonn made his talk before the annual meeting of Stockholm's Moderates. And there was frequent, drawn-out applause whenever he lashed out at the Social Democrats' concept of "liberties."

"The Social Democrats are beginning to talk more about the freedom of the individual, and rightly so. There are plenty of reasons to go around," said Adelsonn. "But at the same time that Ingvar Carlsson is speaking of freedom, his party comrades in Stockholm are well underway in their efforts to close the Adolf Fredriks Music School. They are forging ahead in steamroller fashion, with no feeling for the wishes of students, teachers and parents.

"Olaf Palme, they tell me, has signed a petition to save the school. He seems to have remarkably little influence in his party."

The Moderate leader also listed several examples of regulation that he regarded as constraints on freedom: the General Proviso, the law concerning the collection of evidence, traffic control in Ostermalm, the debate on the pressing downtown situation, Mats Hulth's attitude toward private dwellings and others.

Too Many Laws

"The questions addressed to women by the National Tax Office about where they spend their nights show that it is now considered constitutional to start poking into other people's dealings," remarked Adelsonn.

"It is typical that when the National Tax Office received additional funds to combat financial abuses, the people who suffer are the widow in Stockholm, construction workers in Oskarshamn, workers at Asea and Monark who enjoy the benefit of a free newspaper for employment purposes.

"It is not the financial offenders that must hide in the bushes when Olle Pons (of the Tax Office) takes such steps. It is, to speak frankly, the common honest people who are damned."

Adelsohn also talked about the protection of civil rights, which he defined as "the ability to walk safely in the streets." "The other day, the Parliament decreed that everybody serving a prison term of less than 2 years will be released after serving half the sentence. At the same time, the new head of the Tax Office said that stringent measures will be taken against the 'benefit wilderness.' It's a strange society when one authority releases criminals, while another does all it can to muddle the lives of decent citizens."

Confidence in the Law

"Confidence in the law has a bearing on freedom insofar as a clear line must be drawn between what is right and what is wrong. Liberalism in matters of criminal justice and narcotics policy, such as that conducted by Flum, is a case of misdirected humanism."

Adelsohn is convinced that sooner or later the other parties will be forced to realize that the economic policy of the Moderates is the right one.

"Year after year, we have been saying that there is a connection between taxes and unemployment. The best way to create jobs is not by giving money to the AMS /National Labor Market Board/ but by lowering taxes on business. It seems that the Social Democrats are beginning to understand that now, when they refuse to hike employer welfare contributions to support the tax revision."

PAPER DISCUSSES POSSIBLE REASONS FOR CONSERVATIVES' GAIN

Stockholm DAGENS NYHETER in Swedish 25 Apr 83 p 11

[Editorial by "AL": "Moderate Freedom"]

[Text] It is not hard to see a conservative wave, exclaimed Ulf Adelsohn in a speech yesterday before Stockholm's Moderates.

No, it is not hard. In the IMU poll published today in DAGENS NYHETER, the Moderates gained over 3 percentage points, climbing from 24.5 percent in February to 28 percent in March/April. This is the highest percentage the Moderates have had since IMU began polling in 1979.

According to Adelsohn, the Moderate advance is due to the fact that it, more than the other parties, is perceived as the defender of personal freedom, i.e., freedom from political regimentation, prohibition, state power.

Presumably, that is true. Among citizens today there is a growing irritation about reporting rules, inspection of Danish pastry goods and questionnaires to married women living alone.

But even though it is their stand on freedom that is gaining the Moderates voter sympathy, it appears that there are differing versions of what freedom is. For it is solely from centrist parties that the Moderates are recruiting a following. The Social Democrats, who more than any party are associated with the threat to freedom described by Adelsohn, are holding steady at the 45-percent mark.

Perhaps the Social Democratic voters place a different, more social value on their concept of freedom. They would have good reason to do so. No matter how much people are aggravated by the admonition of the welfare regime to eat six to eight slices of bread a day or the Tax Office attempts to get at significant, small benefits, it is naturally a much more deeply felt and real limitation of freedom for a willing and able worker not to be able to get a job or for young people wanting to study not to find room at the university.

This side of freedom altogether eludes the Moderates. For Adelsohn, the very growth of the public sector means a limitation on freedom, a decrease in "the individual's" power and an increase in state power. But what if these vast publicized state resources result in more jobs, more earnings at the University? To call this a constraint on liberty is absurd, regardless of what Ulf Adelsohn claims.

POLL SHOWS CONSERVATIVES CONTINUING ADVANCE

Stockholm DAGENS NYHETER in Swedish 24 Apr 83 p 6

/Article by Sven Svensson: "The Moderates Are Continuing To Gain"

/Text/ Twenty-eight percent of the voters prefer the Moderates. This finding of the DAGENS NYHETER's IMU /Institute for Market Research/ Voter Barometer for March/April shows a 3.5-point increase since the last poll. The Center Party sustained a drop of 2 points, dipping to 12.5 percent. The decline lies within the statistical margin of error.

The poll was carried out between 21 March and 14 April and is based on a sampling of 910 voters. The voters were asked which party they preferred.

The results break down as follows: the Moderates gained 3.5 points, now claiming 28 percent of the electorate; the People's Party lost 0.5 points, standing at 4 percent; the Center Party lost 2 points, down to 12.5 percent; the Christian Democratic Union gained 0.5 point, up to 2.5 percent; the Social Democrats rose 1 point, to 45 percent; the Left-wing Communist Party dropped 1 point, to 4 percent; the Environmental Party declined 0.5 point, to 3 percent; other parties combined lost 1 point, receiving 1 percent.

Earlier, IMU continuously showed lower figures for the Moderate Coalition Party than did IFO /Swedish Institute for Public Opinion Polls/. The climb of 3.5 percent is statistically significant and indicates perhaps that the results of the two polling institutes are approaching agreement.

Arafat's Visit

The poll was completed just as PLO leader Yassir Arafat was winding down his publicized visit to Sweden. Although all three middle-class parties were opposed to it, the visit could possibly be a contributing cause of the sharp increase for the Moderates.

Within subgroups of the poll--whose figures must be gauged with extreme caution--it can be seen that the Moderates doubled their share of followers among LO /Swedish Federation of Trade Unions/ members from 7 to 14 percent of the total 28 percent.

The opinion poll was the third since the election. The Moderates have been registering an upward trend since they captured 23.6 percent of the vote. Before the high figures of March/April can be considered conclusive, they must be confirmed by one or two additional polls. The Center Party suffered a decline of 2.5 points since the last poll, down to 12.5 percent. The poll showed the party fluctuating around the 13-14 percent points well below the 15.5-percent election result.

The changes were slight for all parties.

The Social Democrats, who won 45.6 percent of the votes, are holding firm steady at around 45 percent. A one-percent change is not significant.

Close to Cut-off Limit

The People's Party lies well under the 5.9-percent election result and has been hovering close to the 4-percent minimum for representation in Parliament. The survey result indicates no rise.

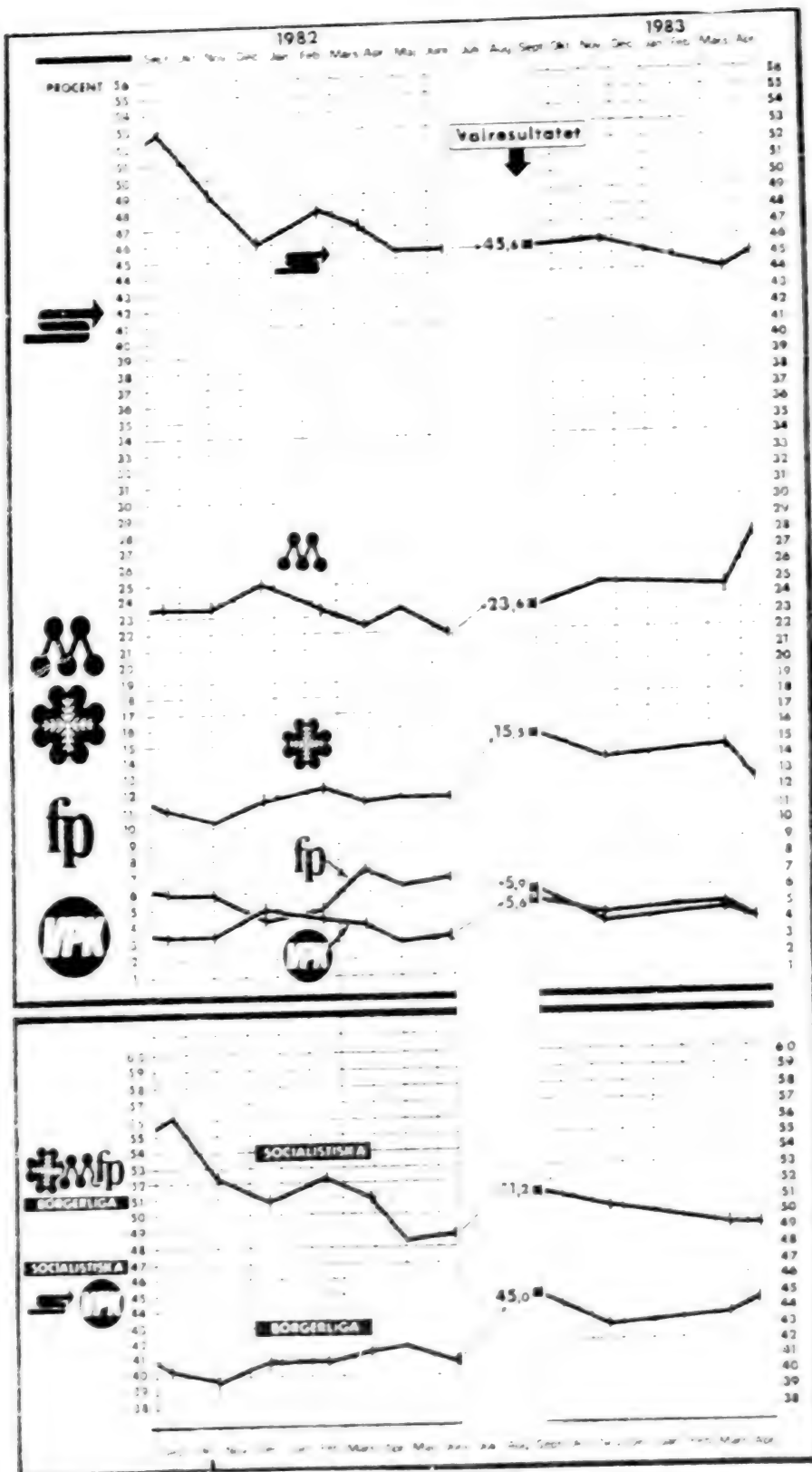
The left-wing Communists, who received 5.6 percent of the election votes, are also flirting with the 4-percent minimum. The long-term trend points to a decline since the election.

The Environmental Party sustained a drop of 0.5 point, down to 3 percent. This might be because the voters in the study answer which party they prefer and not which party they are considering voting for in an election.

The relative standing of the party blocks is fairly unchanged. The rise for the Moderates is matched by an almost identical loss for the Center Party and the People's Party.

Altogether, the two socialist parties received 49 percent of the voter preferences, compared with the middle-class parties' 44.5 percent.

Compared with the results of the previous poll, that is a gain of one point for the middle-class coalition and comes at the expense of parties entering Parliament.



The diagram of party preference graphically shows party preferences since 1982, from the election to the middle of April this year. The Social Democrats are holding steady, the Moderates are advancing, the Centrists are losing and the People's Party and the Left-wing Communist Party lie close to the four-percent minimum. No significant change occurred for the party blocks.

1. Election results
2. Socialist parties
3. Conservative parties

A. Mätperiod	20	21	22
	8/11 -	31/1 -	21/3 -
	1/12	2/2	14/4
	1982	1983	1983
1. Antal intervjuade röstberättigade med partisympati (= bas för %)	910 st	905 st	910 st
2. % som anger som "bästa parti"			
3. Moderata samlingspartiet	25,0 %	24,5 %	28,0 %
4. Folkpartiet	4,0 %	4,5 %	4,0 %
5. Centerpartiet	14,0 %	14,5 %	12,5 %
6. Kristen demokratisk samling	2,5 %	2,0 %	2,5 %
7. Socialdemokraterna	46,0 %	44,0 %	45,0 %
8. Vänsterpartiet kommunisterna	4,5 %	5,0 %	4,0 %
9. Miljöpartiet	3,5 %	3,5 %	3,0 %
10. Övriga partier	0,5 %	2,0 %	1,0 %
	100,0 %	100,0 %	100,0 %
B. % av röstberättigade som inte kan eller vill ange "bästa parti"	4,0 %	4,0 %	3,5 %

Key:

A. Poll Period

1. Number of eligible voters interviewed who expressed a party preference (the population forming the percentage base)
2. Percentage of sample identifying a party as "the best":
3. Moderates
4. People's Party
5. Center Party
6. Christian Democratic Union
7. Social Democrats
8. Left-wing Communist Party
9. Environmental Party
10. Remaining parties

B. Percent of the voters who were unwilling or unable to indicate a party preference:

Since 1979 IMU has carried out 22 polls on party preference. The 3.5-percent increase for the Moderates since the last poll is statistically valid at a 95-percent level of certitude. The remaining changes between the two latest polls lie within the statistical margin or error.

The surveys were conducted with Swedish citizens between the ages of 18 and 74, randomly selected from a nationally representative population. The subjects were interviewed in their homes. The following question was asked: "Which party do you consider best?" An election situation is simulated, with party preference expressed by "secret ballot."

POLITICAL

SWEDEN

BRIEFS

NORTH KOREA TO PAY DEBT--North Korea is now willing to pay its debt of 500,000 kronas to Sweden. The North Korean leader Kim Il Sung made this statement to VPK /Left-wing Communist Party/ leaders Lars Werner when they met recently during Werner's trip to China and North Korea. Lars Werner was entrusted with conveying to the Swedish government, among other things, a specific proposal for repayment of the North Korean debt. /Text/ /Stockholm DAGENS NYHETER in Swedish 25 Apr 83 p 11/ 9992

CSO: 3650/172

SOCIAL DEMOCRAT ISMAIL CEM INTERVIEWED

Istanbul CUMHURİYET in Turkish 1 May 83 p 9

[Interview with Ismail Cem by Osman Ulagay]

[Text] Who Is Ismail Cem

He was born in 1940. After graduation from Robert College in Istanbul, he took a degree from the Lausanne college of law in Switzerland. Beginning his newspaper career at an early age, Ismail Cem has worked as writer and editor for MILLİYET and CUMHURİYET. Currently working at GÜNEŞ, Ismail Cem is the author of "Türkiye'de Geri Kalmışlığın Tarihi and 12 Mart" [History of Under-Development in Turkey and 12 March] (2 volumes).

[Question] Mr Cem, first let me ask you this general question: What, in your opinion, should be the economic policy of social democracy in Turkey?

[Answer] What we aim for with a social democratic economic policy is a Turkey that keeps the factories running everywhere in the country. A Turkey striving for rapid growth, social justice, employment, practicality and security. The problem is to be sincere in these goals and devise methods whereby we can achieve them. The social democratic movement, in upholding this general approach, is bound to be the party primarily of the less advantaged sectors of society, the worker, the peasant, the civil servant and tradesman, and the industrialist with a social democratic outlook.

[Question] Do you think a structural change in the Turkish economy is necessary to achieve the goals you list in this general framework? Or can these goals be attained within the existing economic structure?

[Answer] Certainly I envision a structural change in the economy to achieve these goals. When I say "structural change," I mean one that will bring about the rapid economic growth and social justice for which the public feels a need in Turkey, one which will exemplify the fact that the ultimate goal in the economy is people.

[Question] Could you reduce the structural change you envision within this concept, or the structure you propose to build, to more concrete terms?

[Answer] What I mean when I say structural change in the present economy is, first, a more productive economic structure; in particular, an economy oriented towards more productive industrial output. Second, achieving an economic structure gradually opening to foreign competition that will succeed at foreign competition must be the target. Third, something which is not considered very important in Turkey but which I think is extremely important is to aim for a structural change to develop our industrial technology. Finally, structural change must be one to allow the economy, while producing more, to invest more as well.

[Question] What could be done to bring about such a structural change?

[Answer] Let me just say here that I realize structural change in the economy is not something that can take place overnight. Considering especially the delicate political and economic balances in Turkey, it is necessary that we proceed to the structural change we envision with great caution and careful attention, taking our time, having it well planned.

[Question] Now, you used the word "planned" here. The operative idea in Turkey in recent years has been the tendency to let market forces determine structural change. Is there a question of two different concepts here?

[Question] Now let me make it clear that I am not in favor of offering hard and fast terminology and attitudes as regards the effectiveness and function of market forces in the first place. The market is, in a way, a very important element in turning the economy around, in streamlining it. Therefore, I favor preservation of this feature of the market economy. But in saying this, this is where the difference in the social democratic concept comes in also in that it is necessary to understand that the market economy is not the be-all, end-all of the entire problem. Structural change in the economy is not a superficial, hit-or-miss proposition, but absolutely must be planned and programmed.

[Question] In other words, you are basically proposing a planned structural change, but admit that the market mechanism plays a positive role in streamlining the economy?

[Answer] Exactly. But let me just say that for us the market is not working well and it is first necessary for the market to gain the viability. The socialist prime minister of Spain, Gonzales, has a good expression for it. "It is up to us to make the things that liberalism ought to do but cannot do, work in Spain," he says. This is true for Turkey, too, I think, and the social democratic movement has to do what liberalism cannot do in providing the market economy an element of practicality and responsibility. Before doing this, I think it would be quite wrong to trust in the markets too much in Turkey, to say, "Let the markets take care of everything." Moreover, I think the state has important tasks at the macro level in the balances to be established and in such matters as consumer protection.

[Question] This is something I was going to ask you later. How important is consumer protection, in your opinion?

[Answer] I am very glad to see that a serious understanding of this is developing in Turkey. I think, as regards social democratic policy, that producer protection in the agricultural sector and urban consumer protection are right. And I am in favor of dealing with this as a very serious issue.

[Question] Returning to planning now, if we may, what kind of planning do you advocate in this regard?

[Answer] Planning is a sacred concept in social democratic economic policy. Planning, to me, is first of all an element of practicality. I want to see the development of a planning concept to revise the macro balances in Turkey made up of all sides, that is, with the participation of workers, employers and the state alike. I see planning as a guide and a motivator. The primary goal of planning in the period ahead must be to produce solutions to raise production rapidly in Turkey. This, for social democracy, is a problem that takes precedence in the immediate future over the problem of distribution.

[Question] Everyone, perhaps, essentially wants improved production and investments, and the important problem here is one of domestic and foreign resources. If you put too much emphasis on domestic resources, you have to remember it will mean more hardships on the public, with political ramifications. When you turn to foreign resources, there are other conditions; a World Bank, for example, may want to impose its own industrialization model. Now, how does one make a choice?

[Answer] Now there is just certainly no need for the social democratic movement to get a complex about foreign resources. Foreign resources are a resource which absolutely must be sought, found and used, especially to the extent they can be used for production and provided the terms are not too stringent. I think it is necessary to keep domestic and foreign resources at a specific optimum point and use them together. Of course, holding this point may require extraordinarily high domestic savings, and this is not easy even for a non-democratic regime. That is, it is necessary not to rush into this all at once, but seeing that a new approach is possible, to go about it courageously.

[Question] How is the mechanism working in Turkey as regards directing domestic savings into productive and needed investments?

[Answer] The accumulation, concentration and distribution mechanisms of domestic savings are not working well in Turkey. The brokerage incidents and other events following decontrol of interest rates in recent years are quite alarming. Decontrol of interest rates, actually, is a step in the right direction provided it is done in a balanced way spread out over time and on condition that all legal prerequisites are taken care of in advance. But the way it was done in Turkey is going to have a negative effect on savings for a long time.

[Question] O.K. What do you think about the banking system, especially distribution of credits?

[Answer] Credit distribution in Turkey is obviously all wrong. Small and medium-sized industry just always loses out in the distribution of credit. While small and medium businesses are regarded as a new source of hope everywhere else in the world today, it is utterly wrong to treat them as stepchildren in Turkey.

The medium and small businesses which are emphasized today in the United States, France and other countries as regards technological advancement and keeping up with foreign competition ought to be supported by various means in Turkey also, by adopting credit distribution measures in particular. I would like to say, moreover, that interest costs have made it extremely difficult to make investments in Turkey in recent years. The banking system must be revised so as to produce the desired results in these matters.

[Question] What are your thoughts on rectifying income distribution in Turkey, Mr Cem?

[Answer] Rectification of income distribution in Turkey is important, in addition to the humanitarian and social justice aspects, from the standpoint of improving productivity and output as well. Let me just say here that the social democratic movement cannot advocate temporary public relief by means of monetary expansion. The measures adopted after 24 January have both confounded income distribution and failed to achieve the hoped-for results. There has been no great accumulation of capital nor investment thrust. One of our priorities as regards income distribution is to enable workers and employers in Turkey freely to conclude contracts within a framework reflecting national realities. The modern concept of government requires this. Also, I think stimulation of mass consumption may be effective as to rectifying income distribution.

[Question] Mass consumption means...

[Answer] It is something being stressed by social democratic leaders in the West at present, something pursued by Brandt in Germany, Kreisky in Austria, Palme in Sweden. Instead of raising people's incomes individually, the goal is to improve their welfare by stimulating mass consumption. For example, instead of giving a working person a milk supplement for his children, make sure the children get milk in the schools. The cost to society of the latter is much less. Another example is in Greece where bus transportation is free between the hours of seven and nine o'clock. You do this instead of giving workers a transportation allowance and the cost is much lower. There are many other examples of this mass consumption possible in the health and cultural services, and income distribution can be affected positively in this way. Also, of course, revisions could be made in the taxation system that would have positive effects on income distribution, instituting the added value tax, for instance.

[Question] In conclusion, Mr Cem, I would like to touch on another important issue -- employment. What solutions do you offer on this crucial issue?

[Answer] Employment is the number-one problem for us. In Turkey, 1 million babies are born every year and 350,000 young people come into the marketplace looking for work. Now it is necessary not to take the easy way out of subsidizing industry in order to raise employment. One just must accept the struggle with unemployment as an urgent and separate issue in itself and deal with it through special planning as state policy. It is necessary here, I think to give priority to the support of sectors where job creation potential is high, sectors such as

Construction . But here, also, jobs depend on finding urban property for housing. This may be possible through policies that social democracy could support that would prevent speculation. Second, the tourism sector taken as a whole seems a likely possibility for creating significant job opportunities. Another way that at first glance seems at odds with the principle of productivity may be work-sharing in various businesses, making it possible to employ more people by reducing the number of hours each works. Encouraging small and medium-sized businesses may also be expected to have a positive effect on employment.

4449

CSO: 3554/279

TOKER-ILICAK ASSESS EMERGING POLITICAL MOSIAC

Toker Predicts Two Major Parties

Istanbul MILLIYET in Turkish 1 May 83 p 9

[Article by Metin Toker: "Heart's Desire"]

[Text] With the resumption of political life and the official announcement of the date for elections, the "period for establishing a new democracy" has entered the final phase. The time between the convening of parliament and the second general elections will be the "settling-in period for democracy." One must realize that it is not easy to look at this with any great optimism.

For one thing, it is extremely hard to characterize the democracy to be established as "new." Despite all the talk at home and abroad, there is nothing basically different in the system. The first president will draw his strength from the "personality of Kenan Evren" rather than the text of the Constitution. There is nothing in the Constitution to provide this kind of strength. It is impossible to keep discipline in errant parliaments with strings attached to the right of dissolution. With the failure to have a second house in which seats could be taken without passing through the party turnstiles, the ability to fend off party hegemony has been eliminated. Is it possible to look at this so-called new democracy without saying that everything in principle is "old bowl, old bath" [an idiom meaning "the same old thing" drawing its imagery from the Turkish public bath]?

Taking this expression which was used in the early days of our democracy -- and caused trouble for the one who used it -- to its logical conclusion, it is possible to say that the bath attendants will change. But there are no sanctions in the system to prevent the new attendants from behaving the same as the old ones. The party-formation activities launched a week ago are clear enough evidence of this. One must realize that the public watches this with dismay.

This is not, however, anything unexpected. If those 2.5 years had been used to advantage and the foundations laid for a center party powerful enough to govern the country, the present scene could be viewed without apprehension because much of the fight would have been taken out of the other parties. They, too, would have been busy putting themselves in order during that time, passing the test for the future and taking their places within the political spectrum such as exists in the Western democracies. Meanwhile the ruling center party would have been at

the president's side in the coming period like a large, responsible coalition, allowing democracy to take firm shape. Whether this party would have won in the second general elections, whether it would have found its identity as a party to the right of center or the left of center and which of these would have been the character of the other party or parties would all have been sorted out in time. There would have been a climate of confidence had this been the case.

There are examples of these things in certain "new democracies." Now those hard times of the first general elections are going to be today with what we are seeing in the parties trying to get established and the ones that will be formed. This is what makes optimism impossible. It has become clear all too soon that old habits remain and very little has been learned. The heart has failed to find its desire. It must now be content with what it has.

Everything shows that the two existing political trends in the country will take party form. The lack of a center party has made it their fate to be the mass party. Differences of economic and social opinion are illusion for today. There will be one large party to the left of center and one large party to the right of center.

The left of center seemed to have solved its problem by evoking the name of Erdoğdu -- owing to Erdal's personal reputation and capabilities as well as the name. Evocation of this name made the mosaic of the left complete, aggravating the problem even further. It is harder to oust an old, tried and true formula than to do the research for the new one to replace it. This is why the ultra left is kicking up its heels along with the mindless right.

The right of center, despite the seeming thinness of this front, has not yet committed a gaffe on the scale of the left of center. If a viable center-right party emerges with a satisfactory, acceptable slate of leaders, the dust will settle and the sideshows will disappear. There has been no serious effort to patch together a party by organ transplants. Turgut Ozal will perhaps have a small party in there somewhere beside the real right-wing party. The right of center has this liberty because it is not totally leaderless as is the left of center. But to what extent can common sense and realism prevail there? How far can they lean without toppling over? This will decide the outcome.

Besides, if both wings alike cannot resolve their problems, democracy will be hobbled when it comes out of the starting gates. There hasn't been a hobbled horse yet that could get up much speed.

It is hard to be optimistic.

Ilicak Calls for Compromise

Istanbul TERCUMAN in Turkish 1 May 83 pp 1, 6

[Article by Nazli Ilicak: "Political Party Triangle"]

[Text] Everyone is saying the same thing: "Let us not be divided." Yes, let us not be divided, but how? Unity and cohesion seem hard to come by under present circumstances. Hard, but not impossible. The difficulty started with the interdiction of prominent persons in politics, those who had made a national name for themselves. It left no nationalist leader capable of bringing everyone together without controversy. This is why we have been saying the membership should form up first, then someone from this membership elected general chairman. We believe this is what Mehmet Golhan and Husamettin Cindoruk are trying to do. Both are engaged in activities in Ankara and Istanbul for the purpose of reviving the organization and bringing it together from top to bottom.

As opposed to Cindoruk and Golhan's top-to-bottom formula, Turgut Sunalp started at the "top" when he threw his hat in the ring. The emphases of the Cindoruk-Golhan group and the Sunalp group are different, too. The wholeness that everyone desires can come about only by unifying these emphases. At first glance, the right presents a scattered scene, but barring any bad blunders it is possible to expunge the differences and unite on common points.

The party of the right must be the product of a three-way compromise. One of these three is the present administration, another is Bayar and the third is certain former members of the defunct JP. Even though each of the three elements holds a different sway with the rank and file, they have an aggregate weight. So the whole problem is to assess the angles of the triangle properly and set the party on this foundation.

Left Wing

The same triangle exists in the left wing: the Istanbul group (the Kotil proponents), the Baykal proponents and the general headquarters proponents each hold a corner. Erda' Inonu could have served as a unifying element, being an outsider to all three groups and acceptable to the rank and file. He declined. Now, if the social democrats do not wish to be divided, they have to find someone else acceptable to all three groups. To follow through on our triangle image, it is necessary first to draw the triangle by properly assessing its angles and then to build the pyramid on this triangle.

Individuals rather than groups play the important role on the nationalist side. There are no obvious cliques, but, at most, talk of personal conflicts and distrust. On the left, however, there are clique formations and differences of opinion rising from the rank and file. From this standpoint, unifying the right would seem easier. But the first condition for unification is to allow each angle of the triangle the value it deserves. Otherwise, the person seeking to serve may be disqualified from the very outset owing to error in drawing the figure.

8349

CSO: 3554/277

SURVEY OF POLITICAL VIEWS ON PROVINCIAL LEVEL

Istanbul CUMHURİYET in Turkish 1 May 83 pp 1, 8

[Article by Celal Baslangic: "Situation in Provinces"]

[Text] Denizli: Left and Right Ready for Politics

Denizli -- In Denizli, to all appearances the most politically active province in the Aegean region, everyone whether of the left or the right is ready for politics. Those interested in having new parties formed in Denizli tend to take an active part in forming them rather than waiting for someone else to do it.

The right and pro-center sector look askance upon the party-formation efforts currently under the leadership of Turgut Sunalp. Active politicians of this sector in Denizli say their decision will depend on the staffing stage of a party formed on the right or center. Even the fact that Turgut Sunalp came to Denizli earlier and talked to Feridun Alpat, the former provincial chairman of the defunct JP and currently president of the Chamber of Industry, reportedly contributed nothing to the active formation of a center party in the province.

Meanwhile, social democrat proponents, rather than wait for unity within the movement to occur, are trying to contribute to this unity. Social democrats are placing more emphasis on the make-up of the party than the identity of the leader and believe that internal party differences will be dispelled in a democratic platform.

Mehmet Gozlukaya, former Denizli provincial secretary of the defunct JP, said that there was definitely a place for them in the general movement in Turkey. "We are ready to serve. We are waiting only for the name of the new party. We favor a formation in which this unity of the great Turkish passion for nationalism, conservatism would not be divided. We favor a policy line advocating a mixed economy that would stick by the system practiced before," he said.

Erhan Bicerman, a member of the old JP provincial board of directors, said in expressing his views on the new era of democracy, "I wish to be active in a party formed on the right and to be a candidate. I am in touch with those working to form a party of the center or the right."

Former JP national deputy from Denizli Kemal Aykut is engaged in contacts with pro-center and right groups in Ankara, while JP provincial vice chairman Vural Mutluer is reportedly working for the general trend forming in Denizli.

Bayhan Aslan, former provincial chairman of the defunct NAP, said, "I am waiting for the parties to be formed. I shall work for the party that fights for my brand of Turkish nationalism, is committed to democracy and puts a stable, productive economy first. Teamwork is more important than the leader. We have friends throughout Turkey. I am considering working together with them." Another former provincial chairman of the same party, Kadir Kurucu, said he was not considering going into politics and did not wish to make a statement.

Isparta: Right Waits, Left Apathetic

Isparta -- The right in Isparta, a leading province in Turkish politics, is waiting for the new parties to take shape, while the left looks on apathetically.

The Ispartan right describes the seeming plethora of parties forming on the right by saying, "They are still singing the chorus, the soloist hasn't even come on yet." The province's left seems unwilling to get politics started, for the next 5 years anyway. The major reason offered for this apathy is:

"Isparta used to have four national deputies. In the last elections, the right won three of the seats and the left, one. But now this number has been reduced to three. According to the surveys, it is likely that the right will capture these three seats. For this reason, the right has the comfort of "Wow, we have it all" and the left is apathetic, feeling, "We cannot win a seat this time anyway."

Kutahya: Left-Wing Doldrums

Kutahya (CUMHURİYET) -- Members of the defunct JP's last provincial board of directors are working to form separate groups called the "Conservative Center Party" and the "Liberals." Halim Kerer, former provincial chairman of the defunct RPP says this: "It would be wrong for us to say anything in our province before the movement in Ankara gets settled. Certain groups and individuals have emerged on behalf of organizing the Social Democratic Party. Let them get the preliminaries done and the bylaws and programs defined; I am not considering being a party founder or provincial chairman. But if the Social Democratic Party is formed as believed, I am ready to join and do all I can. What I am looking for is that there be none of the old cliques as before. Parties should have a broad, but not thin, base. Everyone you see should not be forming groups and founding parties."

8349

CSO: 3554/278

MUMCU, ONYONUK EXAMINE NSC EDICT NO 76

Edict Seen as 'Extremely Beneficial'

Ishtantul CUMHURİYET in Turkish 28 Apr 83 pp 1,11

"Observation" column by Ugur Mumcu: "70 and 76"]

[Text] Edict No 76 of the National Security Council (NSC) effectively annuls NSC Edict No 70 which introduced certain bans. One consequence of this new edict is the automatic annulment of all convictions--together with their legal consequences--based on Edict No 70.

According to Article 2 of the Penal Code, "no one can be penalized for an act that is not considered a crime or an offense by the laws of the time the act was committed." Furthermore, "no one can be penalized for an act that is not considered a crime or an offense by laws enacted after the act was committed." The said article continues:

"If such a sentence has been passed, its execution and its legal consequences are automatically annulled."

Article b/3 of NSC Edict No 70 introduced a new type of crime defined as "any suggestion that may influence the people about how they should vote" on the new constitution. A number of journalists and organization representatives were tried and convicted as a result of this ban introduced by Edict No 70. Oktay Akbal, a writer in our paper, was among those convicted.

The ban on debates about the constitution is not included in Edict No. 76. Edict No 76 reinstates some of the bans included in Edict No 70, but the crime of "any suggestion that may influence the vote" on the constitution is not included in Edict No 76. That being the case, all court decisions based on that clause of the edict and their legal consequences will be automatically annulled.

This is an undisputed principle among jurists. If the new law has stopped this act from being a crime, then the defendant can no longer be prosecuted for this act. If the defendant is in the process of being tried for this act, then the case must be dismissed. If the defendant has already been sentenced--as in the case of Akbal--then the sentence cannot be executed. If the sentence has already started to be executed, then the execution stops where it is and the convict is immediately released from prison.

The law says that convictions based on legal arrangements that are later annulled "are automatically annulled." A review of the latest legal arrangement by executive prosecutors is sufficient for the annulment of the legal consequences of conviction decisions. The executive prosecutor will first study the conviction decision and determine the grounds on which the decision is based. What follows is easy. If the legal principle which forms the basis of the conviction decision has been annulled, the decision cannot be executed.

Because that is what the law says clearly:

"If such a sentence has been passed, its execution and its legal consequences are automatically annulled."

In penal law, crimes are determined on the basis of the laws in effect at the time the act considered to be a crime is committed. To use an old term, the law cannot "retroactively." Conversely, if a later law stops a previously committed crime from being a crime, then no one can be penalized for that act.

The decision of Edict No. 76 of certain bans included in Edict No 76 can be interpreted as a type of "press amnesty."

Even this method of resolving this type of press trials has been extremely insufficient in this period of transition to civil administration. "Crimes committed through the press" have always been issues of unending criticism. Has anybody ever forgotten the arrest and the imprisonment of 80-year-old Huseyin Cahit Yelgin during the time of the Democratic Party for the few lines he had written? No, nobody has forgotten. It was such implementations that formed the sources of the anger felt by the intellectual public against the Democratic Party.

Entering the new period with as few problems as possible and by ending such matters as much as possible is the most sound path to pursue.

Cautious Transition Urged

Reference: TERCUMAN in Turkish 28 Apr 83 p 11

"Your Decision" column by Makhbil Ozyoruk: "Fasten Your Seatbelts!"

Text: By God's will and with the work and efforts of the captain pilot, the flight crew, the control tower personnel and the ground crew, this plane will land smoothly and securely on the smooth and clean runway that is "in sight" on a clear and sunny day, and as soon as the wheels touch down on the ground an applause will rise in the plane, as our worker brothers always do in Yesilkoy in their excitement to return home. But while preparing for this applause it is necessary to observe the rules of caution: Sit down, fasten your seat belts, extinguish your cigarettes, be patient.

The "Political Parties Law" and the NSC Edict No 76 were published last Sunday. Edict No 76 which banned "political party activities" was rescinded, and the right to form political parties and to organize political activities within the parties was announced. Edict No 76 must be read and analyzed as carefully as

--maybe even more carefully than--the Political Parties Law. Because the terms of being able to use the said political rights will primarily be set through compliance and conformity with Edict No 76 which lays the groundwork for the functioning of the Political Parties Law.

The proper and provisional articles of the Constitution completely specify the new arrangements concerning political rights and the prohibitions that apply to this area. Furthermore, Provisional Article 2 of the Constitution clearly states that Law No 4324 on "Constitutional Order" will remain in effect for as long as the National Security Council exists. I find it superfluous to reiterate the provisions of the "Law on Constitutional Order." Those provisions must by now be obvious.

For more than 42 years there has been no political activity or political party work in this country. But of course people continued to think about these issues, and sometimes there was even enough activity to warrant warnings from the administration. Now, as of 16 May 1983, the new parties will start submitting to the Ministry of the Interior their founding declarations. A short while after that date we will know how many parties will emerge. No one knows how many parties there will be. However, it appears that the principle of "elections with a 10-percent threshold" is now finalized. It is expected that this principle will not allow more than three parties to enter the National Assembly. But judging from press columns there are far many more roaring lions than that. If this roaring and muscle flexing continues, most of the aspirants will have to be left out. On the other hand, given the electoral system that is envisioned, certain abnegations are clearly necessary for the best and most complete representation of the nation. Who should drop out and who should not? Naturally, it is impossible to give an answer to that question right now. But we propose to the lions to move with realism and unhastily for the sake of "complete representation." First, they must make sure that they do not leave "themselves" and those following them "unrepresented." Then, they must make sure that, after appearing to have made a sacrifice at the beginning, they do not take the leadership struggle--which will continue "on the outside" for a while--into the political parties and the assembly. We need "unity in peace." The "wounds" of the society are still "bandaged." We do not want to see anybody getting involved in a "me or you" fight. In any event, if they look at themselves in smooth crystal mirrors they will see that they are not in a position to get into "me or you" fights.

Everyone must know to sit down and to fasten his seat belt. That would be good.

9588

OSO: 3554/272

MUMCU URGES POLITICAL BREAK WITH PAST

Istanbul CUMHURIYET in Turkish 1 May 83 pp 1, 11

[Article by Ugur Mumcu: "Self-Confidence"]

[Text] Events to which the public stands witness with the dawning of the new era do not augur well for the future. Why? Because the first doors on which the right wing and the social democrats are knocking represent the past more than the future, that's why!

The right went running straight to Celal Bayar's house, seeking the former president's permission to form a new party. They are kissing his hand, entreating his blessing, begging his support. It is an interesting "lesson" in our political history that Bayar, who was overthrown by a military revolution 20 years ago and sentenced to life imprisonment, should be considered a "legitimate door" after all this time for both the right and those who once opposed Bayar, considering themselves "27 May revolutionaries" and, therefore, "progressives" by the standards of the time. How come? For what purpose?

Bayar is over 100 years old, and thus represents the past more than the future. And besides, the party he supported and campaigned for in recent years has shriveled up and disappeared. So what do they mean:

"A grandfather in need"?

Are those who attach to themselves the labels "Ataturkist" and "liberal," which they do not and never will deserve, unable to set their political course without Bayar? Are those who claim to represent the "946 spirits" unable after all this time to come up with a political slate that finds its support in its own political philosophy without Bayar?

Where are their conglomerates, their businessmen, their 1001 syndicated newspaper patrons?

What difference does it make whether Bayar, at this age, supports a political party? He supported a political party before, and what happened?

A new party that wants to stand on its own feet must find a fresher, firmer, more viable basis for support.

And haven't certain groups emerging under the "social democrat" name shown the same misguidedness? Where the right has put the name "Bayar" before party principles, haven't some of the social democratic circles pinned their hopes on the name "Inonu"?

Physics professor Mr Erdal Inonu, son of the late Ismet Pasha, is an eminent scientist whose reputation evokes the respect he deserves in his field. Mr Inonu is also a modern and progressive intellectual, but the reasons for pushing him into politics, in addition to this reputation of respect and trust by all means, perhaps have more to do with the name "Inonu" than anything else.

Ismet Inonu is a respected hero of the National War of Independence whose memory is held dear by all Turkish citizens. Ismet Pasha was not only Ataturk's closest comrade in arms, but his dedication and accomplishment in the transition to multi-party politics is surely one of the most splendid pages in our recent history. The democracy for which Ismet Pasha, once the "national moderator," stood and his fight for a legal state in the 1950's and 1960's are not to be forgotten. Did not Ismet Pasha, vested with such unequalled virtues and values, fall to defeat in later life in the party he had headed for so many years?

That is to say, the name "Inonu" was not what conferred undisputed authority and distinction in political arguments even upon Ismet Pasha himself. If it had been, wouldn't Ismet Pasha have remained at the head of the party until his death?

Mr Erdal Inonu realized that, in turning down the decision to go into politics, he was protecting both his own reputation and the honorable name handed on to him by his father. Who knows what grief Mr Inonu would have come to in future political disputes or what disillusionment he would have suffered in worlds to which he was a stranger?

Is the social democratic movement so impoverished as to take strength from the dead, from gravestones and spirits? If a political movement oriented to the future cannot cut the umbilical cord itself, if it cannot come up with its own leader and leadership cadres itself, if it cannot find its own justification and legitimate causes in its political philosophy and direction, where is the creativity, the fructification, the regenerative drive of society? How, you may ask, is such a movement to find the right to look self-confidently to the future from now on?

Is this soil so barren? Are these progressive thoughts and philosophies, these modern aspirations so sterile as to be unable to spawn their own leaders?

With the final quarter of the 20th century drawing to a close, the left is making a political shrine of the home of a political veteran more than 100 years old and the left calls it progressivism to hide behind the name of a departed politician who was overthrown by his own party!

If democracy and multi-party politics are to be more than "an automatic member-of-parliament machine," let's learn to look at things, at least from now on, through different lenses.

RIGHTISTS CONTINUE UNIFICATION, LEADERSHIP EFFORTS

Istanbul CUMHURIYET in Turkish 28 Apr 83 pp 1,7

[Text] Ankara--While Turgut Sunalp was holding extensive talks in Ankara yesterday, Iskender Cenap Ege said in connection with the establishment of a nationalist right-wing party that will endorse the "moral leadership of [former President Celal] Bayar": "We are trying to bring together those colleagues of ours who have served in the parliament since 1961."

Turgut Sunalp left the Ankara Army Barracks he was staying at at 8:30 am yesterday. Sunalp, who managed to break loose from a large number of journalists who were on his trail, held his contacts in a house on Cinnah Boulevard in Cankaya. He met in the evening with former Justice Party member Ahmet Ihsan Kirimli. Kirimli confirmed that the meeting did take place and said: "Our meeting was useful. I am not authorized to make any statements. The general will continue his contacts in Ankara for a few more days." It was learned that during his contacts Sunalp proposed to Consultative Assembly members Professor Hamza Eroglu, Professor Sener Akyol, Imren Aykut, Ibrahim Goktepe and Orhan Baysal using Consultative Assembly member Adnan Orel as an intermediary. Confirming reports that he was indirectly approached, Baysal said: "I have not made any decisions so far." Baysal said that he did not attend the meeting held in Orel's residence.

Meanwhile, in the political backstages of Istanbul rumors began to spread to the effect that individuals known for their close links to the former Justice Party leadership are working to unite under a "Great Turkey Party." However, those we inquired about this work said that they did not want to make any disclosures for the moment.

Ariburun: "What is the Hurry for?"

Responding to questions about the leadership of a prospective rightist party, Tekin Ariburun, a former senate leader and a former Justice Party senator from Istanbul, said: "For the moment I prefer to wait." Ariburun told the CUMHURIYET correspondent that he "expects that the situation will clarify itself." Stating that the recent political agitation has come too early, Ariburun asked: "What is the hurry for?" Noting that "everything will clarify itself", Ariburun said that he will make a statement to the press about political life when developments take shape.

Iskender Cenan Ege

Speaking on behalf of that segment of the right that endorses the "moral leadership of Bayar", former senator Iskender Cenan Ege said: "We will act as unifiers." Ege also said that they have responded generally "positively" to Aydin Yalcin's call for unification.

Stating that he has not yet held "decisive talks" with Turgut Sunalp, Ege said: "The Honorable Turgut Sunalp has held talks with some colleagues from among us. We believe that there is merit in waiting for a little while longer."

Iskender Cenan Ege said:

"Our goal is to open the door to a brand new period making use of the experience of the past and to establish a new political party which will serve the country or to come together under a party that is appropriate to our mission. We are now in that process of searching.

"There are approximately 600 colleagues of ours who have served in the parliament since 1961. So far we have worked to bring together these former parliamentarian colleagues of ours. In this period when political activity is permitted, we are trying to get in touch with other groups with different views in order to join forces.

"In the meanwhile, we are also preparing a program and a constitution. Our goal is to set up an institution which will enjoy the good will of the base favored and trusted by our nation or to come together under such an institution."

9588

BR: 3554/270

SOCIAL DEMOCRATS CONTINUE GRASS ROOTS WORK

Istanbul CUMHURİYET in Turkish 28 Apr 83 pp 1,11

[Text] Various groups continued their work yesterday to form a social democratic based party.

Professor Erdal Inonu, who was asked to assume the leadership of a social democratic party, received and met with journalists in his house in Bebek, Istanbul. Inonu stated that he has not been involved in politics so far and that he makes his living as a physicist. Inonu continued:

"However, at this present stage if I am assigned a duty for the transition to democracy, I may accept it."

Erdal Inonu will go to Ankara tomorrow to hold talks.

Erdal Inonu is expected in the capital tomorrow.

Necdet Calp, a former undersecretary of the Prime Minister's Office, expressed his views on behalf of the founding members about representing the social democratic wing as a single party in the new political period and said:

"We are not contemplating a union with other groups inclined toward the social democratic wing. It is natural that we cannot unite with another group with the same political base. However, this approach of ours does not mean that we are shut to all proposals. We may join hands with other groups if an agreement is reached on general policy and cadres."

Stating that they are following closely the developments concerning the unification groups on the social democratic wing, Calp said: "We believe that we must not permit the cliquishness problems of the former Republican People's Party in the new structure."

The founding members of the party to be formed under the leadership of Necdet Calp met yesterday morning to review the work about party program and constitution. The founding members were briefed about the party program and constitution.

It was learned that it is now certain that former Elazig deputy Atilla Atila and former Aydin deputy Mustafa Kemal Yilmaz will join the founding members.

After the founding members were briefed about the party program and constitution, the commissions that have been formed continued their work among themselves. In addition to the Program and Constitution Commission and the Legal Affairs Commission, the Political Affairs Commission, the Organizational Affairs Commission and the Press and Public Relations Commission were formed.

Mucip Atakli, Seref Ugur, Ayhan Copan and Naci Cidal were named to the Political Affairs Commission.

Engin Aydin, Umit Teoman, Bilal Sisman, Naci Cidal, Aytekin Yildiz, Turgut Altinkaya and M. Kemal Palaoglu continued their work in the Organizational Affairs Commission.

The Press and Public Relations Commission is made up of Kemal Aydar, Aytekin Yildiz and Gunseli Ozkaya.

Erol Kose

In a statement to the Turkish News Agency, former Izmit Mayor Erol Kose said: "My goal is to contribute to a new political formation that will conform to the responsibilities of the conditions of our country."

6588
OSO: 3554/272

'ARTEMIS' ANTIAIRCRAFT SYSTEM TESTED

Athens I KATHIMERINI in Greek 19 May 83 p 2

/Text/ The "Artemis" antiaircraft system, built by EVO /Greek Weapons Industry/, was tested yesterday in the presence of Messrs Drosogiannis and Zakolikos, deputy ministers of national defense, Admiral Degiannis, chief of the GEETHA /National Defense General Staff/, Lieutenant General Panagopoulos, chief of GES /Army General Staff/, and Vice Admiral Pappas, chief of GEN /Naval General Staff/.

Specifically, the weapon was tested by firings on wind cones and on a guided moving target.

With regard to the firings on the wind cone, data has been provided showing that 70 percent of the shells hit points in a radius of up to 3 meters from the target (but not the target itself). Moreover, the shells did not hit the guided target. Nevertheless, officials expressed satisfaction with the equipment.

After the show, Mr Arsenis, EVO president, stated that Greece provided 55 percent to the construction of the system. Certain foreign-made electronics systems that were bought ready-made were used since their construction by EVO was deemed uneconomic.

The two guns of the system are of the EVO-Mausser model. As Mr Arsenis declared, both EVO and the German firm worked together in the final manufacturing process.

It is being noted that the "prospectus" mentions that specifications are subject to changes without prior notification.

5671

CSO: 3521/323

TWO-WAY RADIO LINK WITH USSR COPTERS ON SVALBARD STARTS

Oslo AFTENPOSTEN in Norwegian 2 May 83 p 11

[Article by Erik Bjornskau]

[Text] Direct, two-way radio connection will be set up between the Air Traffic Service at the Svalbard Airport, Longyear, and the Soviet helicopters when the latter fly within the airport's traffic information area.

For a long time there have been discussions between the Aeronautics Administration and the Soviet Ministry of Civilian Aviation after Norway raised the question of air safety some years ago.

SAS pilots, who now fly into Longyear three times a week, have reported critical situations on approach caused by the Soviet helicopters stationed at the Kapp Heer base. These helicopters had at that time only contact with Aeroflot's own representative at the airport when they came in for a landing. Reports on movement and position were sometimes reported to the traffic service in the tower with indefensible delays. Today there are a relatively significant number of flights in and out of the Longyear airport in addition to the SAS and Aeroflot flights. There is quite a bit of Norwegian helicopter traffic to the Svea mines, among other places, in addition to the Soviet helicopter flights.

Section Director Oivin Christiansen in the Aeronautics Administration, who has headed the Norwegian delegation in the discussions with the Soviet Union, said to AFTENPOSTEN that the unsatisfactory situation has caused the Norwegian aeronautics authorities to keep on pressing for an agreement. "Two links in the communication between helicopters and traffic control contain uncertainty factors we did not want," Christiansen stressed. After much discussion back and forth since the discussions began in the beginning of 1982, the Soviet ministry finally accepted the Norwegian suggestion for changes in the original contract between the Aeronautics Administration and Aeroflot. With reservations on some minor adjustments in the Norwegian proposal for the establishment of direct, two-way connection -- reservations that, among other things, affect emergency situations where the helicopters are allowed to call up Aeroflot's office because of possible language problems, and that only the lead helicopter report to the tower if several aircraft are flying in formation -- the Soviet helicopters will now call up traffic control directly on a common VHF frequency. Information

on approach routes, position, and similar matters will be given -- in English -- in order to improve safety in the traffic pattern.

The original contract of 1975 contained no such agreement because the Soviet helicopters at that time had no communications equipment for such communication. But when they got this equipment a few years ago, the Norwegian authorities did not think there was any reason to tolerate such a situation, Christiansen said.

Section Director Christiansen says that training and drilling has already begun with the Soviet helicopter pilots so that from 1 June satisfactory communications can be established, and this will mean an improvement of total flying safety in the whole area around the airport.

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